



# *City of Grants Pass, Oregon* **Comprehensive Annual Financial Report** For the year ended June 30, 2010



**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

Year Ended June 30, 2010

**Prepared by:**

**City of Grants Pass Finance Department**

Jay Meredith, Finance Director  
Tammy Canady, Analyst

CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON

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**WHERE THE ROGUE RIVER RUNS**



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CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON

ELECTED OFFICIALS

June 30, 2010 (as of Date)

<u>NAME</u>	<u>TERM EXPIRES</u>
Mike Murphy, Mayor	December 31, 2012
Del Renfro, NW – Ward 1	December 31, 2010
Dan DeYoung, NW – Ward 1	December 31, 2012
Rick Riker, NE – Ward 2	December 31, 2010
Lily Morgan, NE – Ward 2	December 31, 2012
Tim Cummings, SE – Ward 3	December 31, 2010
Richard Michelin, SE – Ward 3	December 31, 2012
Darin Fowler, SW – Ward 4	December 31, 2010
Kris Woodburn, SW – Ward 4	December 31, 2012

All council members receive mail at the address listed below.

CITY MANAGER

Laurel Samson

FINANCE DIRECTOR

Jay Meredith

City of Grants Pass  
Municipal Building  
101 N.W. “A” Street  
Grants Pass, OR 97526

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December 20, 2010



To the Honorable Mayor Mike Murphy, Members of the City Council, Reviewing Agencies, and the Citizens of Grants Pass:

We are please to submit the Comprehensive Annual Financial Report (CAFR) for the City of Grants Pass, Oregon. This report is for the fiscal year ending June 30, 2010.

Grants Pass Municipal government undergoes an annual audit to report information on local government financial affairs and to ensure compliance with government accounting standards and practices. Local government has very stringent reporting and accounting standards that require full disclosure of financial affairs to the public that it serves. This report is presented in conformity with generally accepted accounting principles (GAAP) and is audited in conformance with generally accepted auditing standards.

The annual audit is prepared to meet legal requirements (ORS 297.425) and to respond to our Council's strong belief in total disclosure and effective communication. Pauly, Rogers and Co., P.C., a firm of certified public accountants, have audited the attached financial statements. The City is responsible for the accuracy of the data and the complete disclosure of our financial records. The auditors test transactions, verify the system, and assure accuracy. The independent auditor's report is presented as the first component of the financial section of this report.

This report consists of management's representations concerning the finances of the City of Grants Pass. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. We believe that the financial information and disclosures of this report are accurate in all material respects, and that the report fairly represents the financial position of the City and the results of operations for the last year, as measured by financial activity. We have included all disclosures necessary for the reader to understand the financial condition of the City.

The independent audit of the financial statements of the City of Grants Pass was part of a broader, federally mandated "Single Audit" designed to meet the special needs of the federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements

involving the administration of federal awards. These reports are included and are available in the Auditors' Comments and Disclosures section of this report.

Generally accepted accounting principals require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Grants Pass' MD&A can be found immediately following the independent auditor's report.

## **Profile of the City of Grants Pass**

Grants Pass has grown to an estimated population of 33,225 residents and is a beautiful community with a "hometown" feeling. The City was incorporated in 1887 and today encompasses 7,026 acres of land. Grants Pass is located on Interstate 5 in the "Sun Belt" of Southern Oregon, astride the banks of the Rogue River, one of America's premier white water rivers. The City is nestled among a series of mountains providing the valley a scenic backdrop. Grants Pass is the County seat of Josephine County and serves as the major commercial, cultural, and economic center for a County population of 83,665.

## **Factors Impacting Financial Conditions**

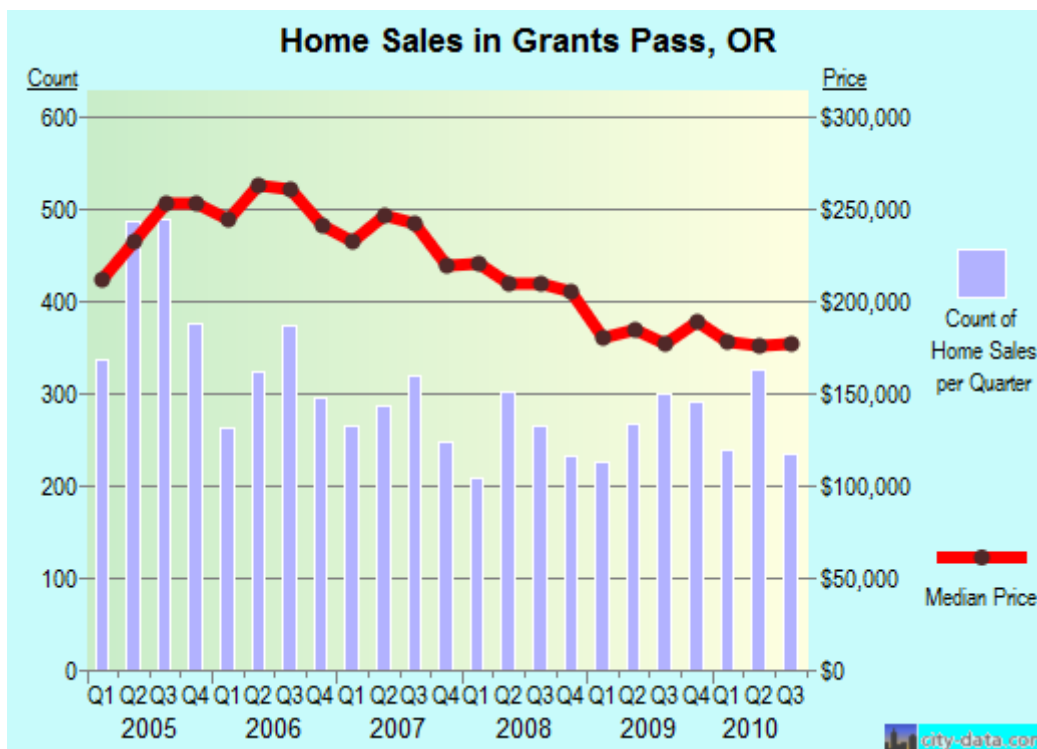
The City of Grants Pass continues to rank 15th in population among 242 communities in Oregon. Grants Pass' real estate assessed value rose by 3.9% in spite of the foreclosure and other housing market concerns during this fiscal year. This was in part due to assessed values still being well under average market values and a small amount of new development. The 2011 assessment change report also just came in, showing a 1.8% increase on assessed values for existing properties and approximately a 1% increase in values as a result of new development, for a total of a 2.8% increase for FY'11. Assessed property values are starting to keep up with market values for many properties.

In spite of the economic downturn, Grants Pass continues to see new development. The Building and Safety Division issued 72 structural permits during the year, down only 15 from the number of permits issued in the previous year. Total commercial construction units were up 2 in number and \$2.1M in value, while total residential construction declined by 17 units and \$3.2M in value as compared to FY'09. While FY'10 was the lowest level of construction out of any year in the last 10 years it was only down slightly in residential construction and actually up in commercial construction as compared to FY'09. A total of 58 single-family residential permits were issued compared to 75 for FY'09, while the number of multi-family permits held at 1 like FY'09. Commercial permits totaled 13 in the current year as compared to 11 in FY'09.

The immediate demand for planning and building inspections for all classes of construction continues to be slow given these factors. Despite development declines, escalating demands for transportation and public safety services are on-going.

Simultaneously, as the municipal boundaries grow and residents within the urban growth boundary connect to City utility services, additional citizens expect rural streets to be brought up to City standards and neighborhood parks to be planned and developed while protecting the natural environment.

The local housing market has experienced a decrease in the number of homes sold and the median price over the last year, in line with many other parts of the region and country. The median home sale price in the second calendar quarter of 2010 was approximately \$175,000 as compared to approximately \$180,000 in the second calendar quarter of 2009. Home sales by number of transactions increased slightly in Fiscal 2010 versus Fiscal 2009. It is difficult to predict when the market will change but it seems reasonable to assume that with the relatively higher amounts of housing inventory expect to be on the market in the near term, development will not be returning to the record breaking levels experienced in the 2005 calendar year in the near future.



The permitting of lands throughout the urban growth boundary by private developers for future subdivisions has decreased dramatically and will continue to depend upon the expansion of municipal utility services. Grants Pass requires Service and Annexation Agreements (S & A) prior to accessing municipal services for water, wastewater, police, and fire. Accordingly, property owners within the urban growth boundary are required to pay the equivalent of the City tax rate on assessed value for these services. At the time of annexation, this independent billing is replaced by the levy of the City property tax rate on the subject properties. It has been nearly four years since an annexation occurred in the City, however a new annexation policy will be among the top priorities of Council discussion in the coming year.

All property taxes received in Grants Pass are dedicated exclusively for the provision of public safety services. The permanent tax rate (\$4.1335) together with the local option

levy (\$1.79) and public safety bond (\$0.40) totaled \$6.33/\$1,000 assessed value and generated \$14.3M of the \$15.6M public safety operations budget. Citizens are aware of the increasing demands on the public safety operations and staff, and in May of 2009 voters approved a new two year local option levy at the rate of \$1.79/\$1,000 assessed value to replace the old levy of \$1.49 that expired this year. Citizens also reaffirmed that levy amount for an additional three years in the November 2010 vote with 65% of citizens voting yes for the levy renewal.

While many of the same influences affecting the nation as a whole continue to impact Grants Pass and Josephine County, the unemployment rate of 13.9% at June 30<sup>th</sup> was down 1.0% from the previous year. There were 4,710 unemployed compared to 5,144 last year while there were 30,437 employed compared to 30,587 the prior year. Grants Pass has a significant presence of manufacturing industries, led by wood products and housing-related manufacturing. As the current recession was fueled in part by the housing crisis, the impact on the economy in Grants Pass remains to be significant.

On the positive side, First Call Resolution, a call center company located in Roseburg, expanded into Grants Pass last year and recently announced new contracts that will allow them to hire 135 more employees in Grants Pass taking the total number of employees to over 200. They have located in downtown in a building that was previously vacant for over two years. ESAM, which laid off almost half its staff in the summer of 2008, has slowly been rehiring employees and are back to an expected employee level of 125 to 135 employees. Finally, as a direct result of the Business Development Center's Next Level program, companies like visp.net and Recognition Specialties have seen a dramatic increases in sales and are slowly adding staff.

Since last year the City of Grants Pass has been able to work closely with the Business Development Center to arrange for two \$100,000 Community Development Block Grant to allow low to moderate income people who want to start their own business to take classes at little or no cost to them. The City received the first grant in May of 2009 and 97 people were in rolled in the program. The second grant which began in September of 2010 currently has over 40 people registered. The grant promised a minimum of 40 participants. The City also invested \$2,500 through the Business Development Center to research the possibility of starting Economic Gardening program in Southern Oregon. Last but certainly not least, the City recently began a two-year trial period for a Micro Enterprise Loan program to assist small businesses with capital needs in the amounts of no more than \$10,000 each and \$50,000 in total for the trial program.

Levels of growth in residential and commercial real estate have a significant effect on the resources available to support capital projects and upgrade the City's utility and transportation infrastructure. System Development Charges (SDC's) are assessed at the start of new construction or change of use in a property and the funds are then restricted for use in capital projects. SDC revenue levels have fallen substantially in recent years, the City Council has temporarily lowered Transportation SDC rates with the desire to appear competitive with other regional cities and to encourage local economic development, and a Transportation SDC Task Force has been created to study the proper financing structure for Transportation. The shortfall in resources available to complete capital projects in the intermediate term will need to be addressed in the future. In late Fiscal 2009, the City Council has also rolled back annual Cost of

Living Index Adjustments (COLA) rate changes for all of the utility revenue rates (with the exception of Sewer rates), which means that while certain expenses increased during the year the utility revenue rates per unit remained constant. Upgrades to the City's water and sewer infrastructure have been planned out for a number of years into the future, and lower levels of economic development in combination with rolling back annual COLA rate changes have the potential to adversely impact the City's various infrastructure upgrade schedules. These developments will have to be monitored closely in order to avoid placing undue pressure on utility operational funds or capital finance needs at the time major projects are scheduled to be undertaken. Issues such as these will be reviewed periodically by the City Council.

## **City Organization and Services**

The City of Grants Pass has been organized under the Council/Manager form of government since 1946. The governing body consists of eight Council members elected at large, two from each of four wards, and a Mayor elected at large. Elected officials serve without compensation. The governing council is responsible for establishing policies, passing ordinances and resolutions, adopting the budget, appointing committees, and hiring the government's manager. The Council's mission is:

"To represent all of the citizens by providing leadership, policies, ordinances and decisions necessary to meeting citizens' needs and desires."

The government's manager, the City Manager, is responsible for carrying out the policies and ordinances of the governing council, managing the daily operations of the government, and for appointing the heads of the government's departments. The City Manager is responsible for the operations and administrative functions for all divisions of the municipal corporation. Our local government structure is similar to that of other corporations. For instance, our Mayor is Chairman of the Board, our Council the Board of Directors, and our City Manager the Chief Executive/Operating Officer of the Corporation.

The City provides a full range of municipal services. General governmental functions include public safety, code enforcement, park maintenance, planning and development and parking enforcement. Street maintenance, landfill operations and other special operations are reported with the Special Revenue Funds. Services provided through enterprise funds are the water and sewer utilities, in which expenses are covered primarily by user charges. Administrative Services, Support Services, Insurance and Fleet Management are provided through Internal Service Funds. The following programs are administered by five departments under the direction of the City Manager:

**Community Development:** Directs the development of the community through planning and construction (utility systems, parking facilities, neighborhood improvements, etc.), and enforcement of state building standards.

**Public Safety:** Provides police protection, fire suppression and prevention, traffic control, code enforcement, educational programs and similar activities for the community.



**Parks & Community Services:** Directs the operations and maintenance of City facilities (parks, buildings), coordinates downtown events, supports tourism and recreation in the community, and provides information technology and fleet maintenance services.

**Public Works:** Directs the operations of the City's utilities, including the Street Utility, City Water and Wastewater utilities, landfill and special districts (Harbeck-Fruitdale Sewer District and the Redwood Sanitary Sewer Service District).

**Administrative Services:** Divided into four divisions, Management, Legal, Finance, and Human Resources. Provides management in coordinating and directing all City operations and policy development/analysis, risk management and legal services, economic development, payroll, personnel, debt administration, fiscal management, budget and other financial services to the City.

### **City Agencies and Special Districts**

This report includes all of the funds and account groups of the City as well as all activities for which the City exercises financial or oversight responsibilities consistent with the entity definition criteria established by the Governmental Accounting Standards Board (GASB).

The Grants Pass Parkway Redevelopment Agency (GPPRA) is required to have a separate audit by licensed public accountants. Because the City Council is the governing board of this independent Agency and the City provides financial and administrative services to the Agency, the GPPRA is included in this report as a Capital Project Fund. The information presented has been condensed from the separate GPPRA audit report to conform to the City's reporting format.

The City Council was the governing body of the Harbeck-Fruitdale Sewer District (HFSD), an entity formed to provide a sewer collection system in a particular area of the City. The HFSD is reported as a component unit in the Enterprise Funds. During FY'10 the District was dissolved and assumed as part of the City's Wastewater Utility.

Effective August 1998, the City Council also became the governing body of the Redwood Sanitary Sewer Service District (RSSSD), an entity formed twenty years ago to provide sewer services to a specific geographical area outside the municipal boundary. The District was authorized through an intergovernmental agreement between the City and Josephine County. Effective fiscal year 2000, the City assumed responsibility for management of RSSSD from Josephine County for providing financial support services, including preparation of the financial report and contracting for a separate audit. RSSSD is required to have a separate audit, which is included as a component unit in this report and shown in the Enterprise Funds section.

Similarly, in September, 2001 the City of Grants Pass entered into an intergovernmental agreement with Josephine County, forming an entity known as the Josephine

County/City of Grants Pass Solid Waste Agency. This Agency has a six-member board, three each from the County and the City. This Board is responsible for oversight of the solid waste franchise agreements, establishing rates, and collecting and allocating environmental program fees. The Board granted managerial responsibilities of the Agency to the City of Grants Pass.

## Goals Of The Community

The Grants Pass City Council adopted the following goals for 2009-2011. These goals were affirmed by the Mayor and Council to provide a special emphasis on the central role of the Rogue River and our natural environment while guiding our community and our organization.

1. **Growth Management:** While prospering and growing we keep the sense of "Hometown," protect our natural resources and enhance our community improvements.
2. **Economic Development:** With emphasis on small and medium business, we diversify the local economy and create quality jobs for our residents.
3. **Public Safety:** Living in Grants Pass feels safe and is safe. We provide our residents with a sense of well-being and protection at an affordable cost.
4. **Environment:** We protect and enhance the natural environment of our valley, the air, land, hillsides, trees and Rogue River and its tributaries through the encouragement of sustainable practices.
5. **Parks & Recreation:** We provide an interconnected system of parks, trails, thriving green spaces and quality recreation opportunities for all ages.
6. **Infrastructure:** We recognize water, wastewater, storm water, transportation, and solid waste facilities are the backbone of our community. We will ensure that these systems are operated, maintained and as necessary, replaced, now and in the future.
7. **Management:** The City is an efficient and effective forward-looking organization that facilitates community decision making that is accessible to all citizens.

## Measuring Performance

Grants Pass is committed to the Government Finance Officers Association's recommended performance standards. Each operating division, as a part of the annual budgetary process, is required to define outcomes and service levels. These indicators of performance are reviewed semi-annually and then published at year-end, with notations addressing the attainment of each. In fiscal 2010, the City achieved 87% of the 121 performance indicators for outcomes and service levels.

## Accounting Systems and Internal Controls

The City's governmental and fiduciary fund types are maintained on the modified accrual basis of accounting with revenues recorded when measurable and available, and expenditures recorded when the goods or services are delivered and liabilities are

incurred. The City's enterprise and internal service funds are maintained on the accrual basis of accounting.

Management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the government are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that:

The cost of a control should not exceed the benefits likely to be derived, and the valuation of costs and benefits requires estimates and judgments by management.

All internal control evaluations have been made within the framework described above. We believe the internal accounting controls meet the material standards for audit, adequately safeguard the City's assets, and provide reasonable assurance that financial transactions are properly reported.

## **Financial Policies**

The City's adopted financial policies guide decisions in the main areas of revenue, budgetary management, debt management, capital improvements, and financial management. A full description of the policies can be found in the annual budget book. Policies that had impacts on the financial statements for this period and potential impact in the future include: revenue, budgetary goals and services, financial planning, capital improvements, financial management and investments.

### **Revenue**

The City's revenue policies strive to maintain a diversified income base in order to minimize the impact of fluctuations in any one source. The City considers the financial burden of multiple taxing jurisdictions when setting taxes and tries to equitably share the costs of services. The City will use non-recurring income for capital projects and other one-time expenses. As in the prior year, the City had a higher than normal amount of grants earmarked for operations. The City anticipates grant activity and availability to remain high for the coming fiscal year. The use of grant money for operations is atypical however with the expansion of Public Safety to two newly constructed buildings; we knew there would be increased operational expenses. The grant opportunity allows us to defer the full impact of these staffing increases to future years. During the year, Council continued to review fees for a number of services and placed a priority on studying alternatives to the public safety property tax levy. Maintaining diversity in revenue sources and following policies that avoid long-term financial burdens will be important as Council continues its efforts to equitably share costs.

### **Budgetary Goals and Services**

The Council adopts City goals as part of their efforts to provide policy and direction for the City. The operating and capital budgets work to carry out the Council's goals and

policies. The 2009-2010 Work Plan was adopted by Council on December 2, 2009, and the next Council goal setting session is set for December 2010. Council is expected to adopt new goals prior to fiscal year 2012 budgeting, which will take place in the spring of 2011.

#### Financial Planning

Policies under financial planning require the City to estimate income and expenses over a three-year horizon and to update those projections annually. The policy also requires each fund to maintain a contingency to meet unanticipated requirements during the fiscal year. During the year, Council and management adopted a fund balance policy for the general fund. Management will continue to bring fund balance policies for Council review and adoption. Additionally during the year an updated Investment Policy was adopted ensuring the City's funds are invested with a focus on safety first, followed by liquidity and yield.

#### Capital Improvements

Under capital policies, the City strives to maintain five-year capital improvement plans and one-year capital improvement budgets. The budgets provide for adequate maintenance and the regular replacement of capital, plant and equipment. Multi-year capital improvement plans ensure that the proper financing programs are in place and regular maintenance prevents costly accelerated deterioration of capital assets.

#### Financial Management

The City maintains an accounting system that is consistent with generally accepted accounting practices for local governments in order to promote an atmosphere of trust in its financial management system and to provide full disclosure of its financial condition. During fiscal 2009, the City implemented GASB 45 which measures and reports the liability for postemployment benefits other than pensions. This new governmental accounting standard measures the actuarial cost of offering certain benefits such as insurance to retirees and it will now affect both expenses and employer liabilities. Certain retirement insurance benefits measured under this standard are already being phased out by the City, however implementation of this standard will increase the City's expenses and liabilities until a higher percentage of employees are not eligible for these benefits. Next year in Fiscal 2011, there will be a minor change to Fund Balance reporting under GASB 54.

#### Investments

The City strives to maximize interest income on cash assets for the benefit of the public.

Cash in all City funds is pooled and invested in either the state managed Local Government Investment Pool (LGIP) or short-term instruments, which are restricted to investments approved by the State Treasurer in accordance with Oregon Revised Statutes 294.035 and 294.046 and a Council Adopted Investment Policy. During fiscal 2009 and 2010, a large portion of the City's investments were moved from the LGIP to US Agency bonds and Bank CD's or money market accounts as the interest rates were more attractive than the rates paid by the LGIP. During Fiscal 2010, a new Investment Policy was also approved by Council and allows a little more flexibility in the percentage of funds allocated to longer maturities, among other minor changes. It is expected the new Investments Policy will allow the City to earn a higher rate of return on the same safe investments as opposed to what a shorter term or LGIP investment would earn.

Interest income is distributed monthly to each fund's cash balance.

## **Awards**

The Government Financial Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Grants Pass for its comprehensive annual financial report for the fiscal year ended June 30, 2009. This was the 27<sup>th</sup> consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report (CAFR). This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

## **Acknowledgements**

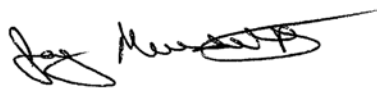
We would like to thank the Mayor and the City Council for their leadership and support. The preparation of this report could not have been accomplished without the dedicated effort of the City Finance Department staff. We also appreciate the contributions made by all other City staff members and wish to express our gratitude for their assistance in this project. Special recognition and thanks go to Tammy Canady who has dedicated a great deal of effort in preparing these financial statements.

These combined efforts plus the participation of members of our community help the City plan and conduct the financial operations of the City in a positive and responsible manner. It is a pleasure to serve the City and its citizens.

Respectfully submitted,

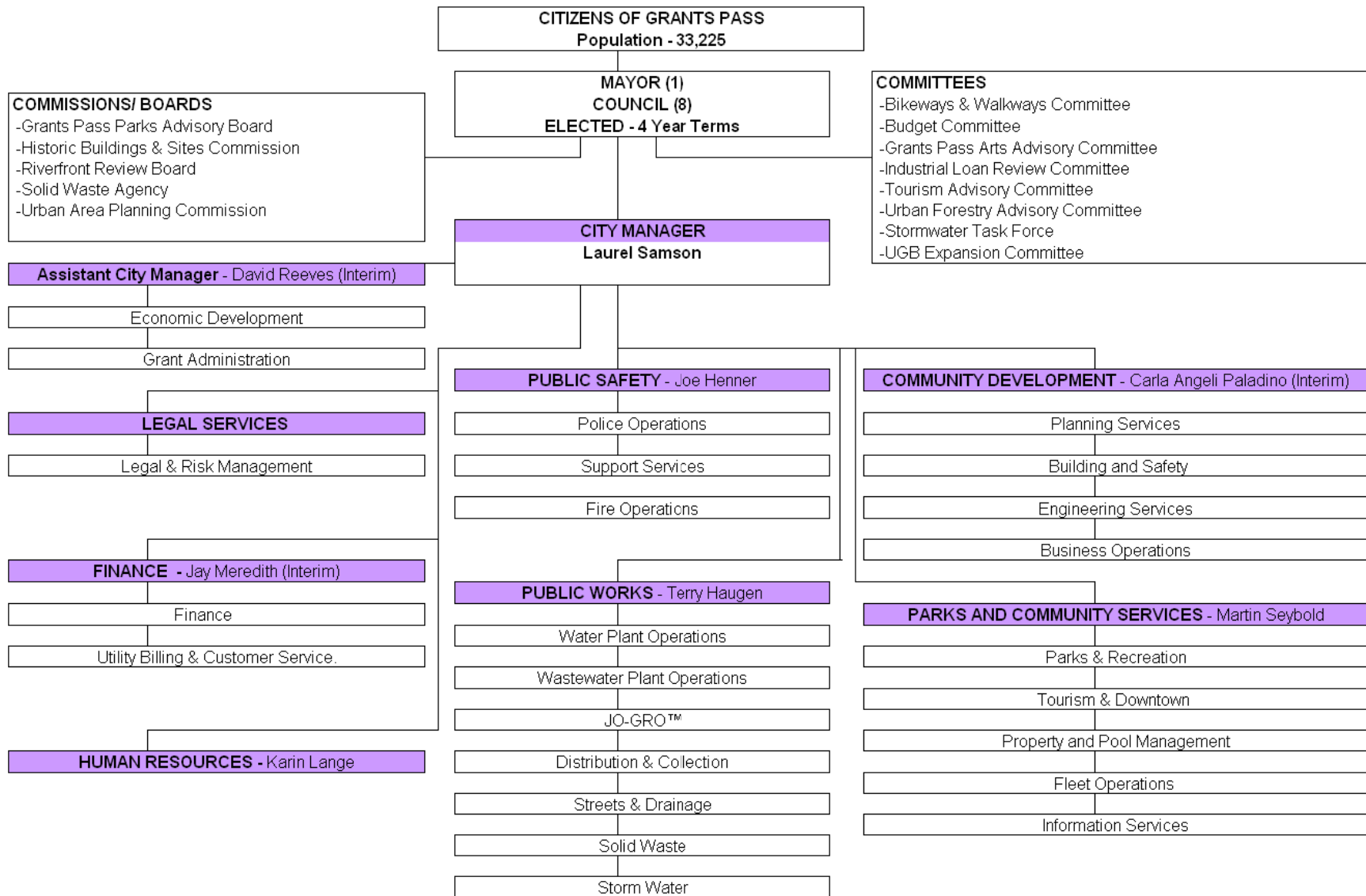


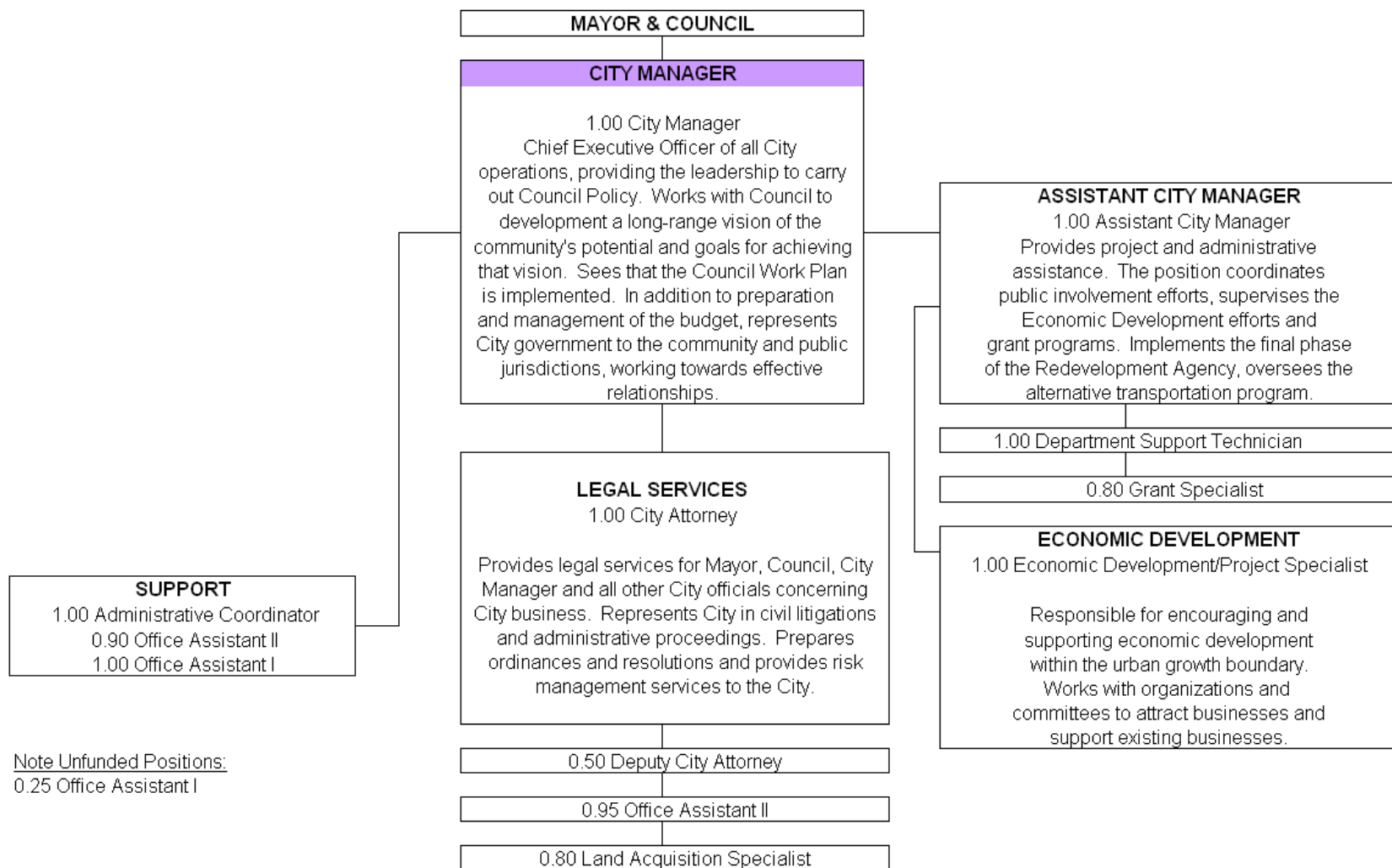
Laurel Samson  
City Manager



Jay Meredith  
Finance Director







# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Grants Pass  
Oregon

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2009

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



A stylized, handwritten signature in black ink.

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director

**WHERE THE ROGUE RIVER RUNS**



© City of Grants Pass



**PAULY, ROGERS AND CO., P.C.**

**CERTIFIED PUBLIC ACCOUNTANTS**

- 
- 12700 SW 72ND AVENUE • TIGARD, OREGON 97223
  - (503) 620-2632 • FAX (503) 684-7523

November 13, 2010

To the Honorable Mayor and  
Members of the City Council  
City of Grants Pass, Oregon

### **INDEPENDENT AUDITORS' REPORT**

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Grants Pass, Josephine County, Oregon, as of and for the year ended June 30, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Grants Pass, Josephine County, Oregon, at June 30, 2010 and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The Management Discussion and Analysis and the required supplementary information, as listed on the table of contents, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.



Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Grants Pass's basic financial statements. The Supplementary Information, including budgetary comparison schedules (which are required supplementary information for major special revenue funds) as listed in the Table of Contents, is presented for purposes of additional analysis and are not a required part of the basic financial statements. The Supplementary Information (including the Schedule of Property Tax Transactions and Balances of Taxes Uncollected) have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in cursive script that reads "Pauly, Rogers and Co., P.C.".

**PAULY, ROGERS AND CO., P.C.**

**CITY OF GRANTS PASS, OREGON  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**

This section of the City of Grants Pass' annual financial report presents our discussion and analysis of the City's financial performance during the fiscal year ended June 30, 2010. Please read it in conjunction with the City's transmittal letter and the City's financial statements and notes, which follow this section.

**FINANCIAL HIGHLIGHTS**

- The City's total combined net assets were \$266,534,324 on June 30, 2010.
- The City's net assets increased by \$6,503,408 during the year.
- The general fund reported a fund balance this year of \$10,197,778.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of three parts: *management's discussion and analysis* (this section), the *basic financial statements*, and *required supplementary information*. The basic financial statements include two types of statements that present different views of the City:

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the City's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the City's operations in more detail than the government-wide statements.
- The *governmental fund* statements tell how *general government* services were financed in the *short-term* as well as what remains for future spending.
- *Proprietary fund* statements offer *short- and long-term* financial information about the activities the government operates *like businesses*.
- *Fiduciary fund* statements provide information about the financial relationships in which the City acts solely as a *trustee or agent* for the benefit of others having ownership of the resources at issue.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

**Government-wide Statements**

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the City's net assets and how they have changed. Net assets, the difference between the City's assets and liabilities, are one way to measure the City's financial health or position.

- Over time, increases or decreases in the City's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall fiscal health of the City, one needs to consider additional non-financial factors such as changes in the City's tax base.

The government-wide financial statements of the City include the *Governmental activities*. Most of the City's basic services are included here, such as general government, public safety, planning, building and safety, streets and storm drainage, solid waste, economic development, parks and recreation, and interest on long-term debt. Most of these activities are financed by property taxes, franchise taxes, permits and fees, and intergovernmental revenues.

### **Fund Financial Statements**

The fund financial statements provide more detailed information about the City's most significant *funds* - not the City as a whole. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes.

The City has the following types of funds:

- *Governmental funds* - Most of the City's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explain the relationship (or differences) between them.
- *Proprietary funds* - Services for which the City charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long-term and short-term financial information.
- *Internal service funds* – These are used to report activities that provide supplies and services for the City's other programs and activities.
- *Fiduciary funds* - The City is the trustee, or *fiduciary*, for certain funds. It is also responsible for other assets that, due to a trust arrangement, can be used only for the trust beneficiaries. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the City's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. We exclude these activities from the City's government-wide financial statements because the City cannot use these assets to finance its operations.

## **FINANCIAL ANALYSIS OF THE CITY AS A WHOLE**

### **Net Assets**

The City's combined net assets were \$267,163,518 on June 30, 2010.

#### **Statement of Net Assets at June 30, 2010**

**(In thousands)**

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
<b>ASSETS:</b>						
Current and Other Assets	\$ 36,237	\$ 39,136	\$ 11,785	\$ 12,529	\$ 48,022	\$ 51,665
Capital Assets	148,037	143,364	94,843	94,986	242,880	238,350
Total Assets	<u>\$ 184,274</u>	<u>\$ 182,500</u>	<u>\$ 106,628</u>	<u>\$ 107,515</u>	<u>\$ 290,902</u>	<u>\$ 290,015</u>
<b>LIABILITIES:</b>						
Current and Other Liabilities	\$ 2,723	\$ 5,736	\$ 2,195	\$ 1,915	\$ 4,918	\$ 7,651
Long-Term Liabilities	11,977	12,517	7,473	9,816	19,450	22,333
Total Liabilities	<u>14,700</u>	<u>18,253</u>	<u>9,668</u>	<u>11,731</u>	<u>24,368</u>	<u>29,984</u>
<b>NET ASSETS:</b>						
Invested in Capital Assets, Net of Related Debt	138,146	133,844	86,290	84,255	224,436	218,099
Restricted	483	1,525	-	-	483	1,525
Unrestricted	30,945	28,878	10,670	11,529	41,615	40,407
Total Net Assets	<u>\$ 169,574</u>	<u>\$ 164,247</u>	<u>\$ 96,960</u>	<u>\$ 95,784</u>	<u>\$ 266,534</u>	<u>\$ 260,031</u>

### **Governmental Activities**

The major reason for the 3.6% increase in net assets, or approximately \$6.0M in net assets was the City's capital and infrastructure improvement projects. The Transportation Capital Projects Fund, the Land and Buildings Capital Projects Fund, and the General Fund together added approximately \$6.7M of new capital assets (before considering depreciation). The General Fund also received a one time tax turnover as a result of the Redevelopment Agency winding down in the amount of approximately \$0.5M, and long-term liabilities were reduced by approximately \$0.5M during the year as a result of regularly scheduled debt payments.

Capital Asset activity primarily consisted of transportation infrastructure projects and completing the two new public safety stations that were funded by the general obligation bond. During FY'10, \$1.1M in progress payments were made on the construction of the new police/fire stations and related equipment for the new stations. The stations were complete at year-end and the final construction component of the training tower was nearly complete. Right-of-Way totaling approximately 552,000 square feet and valued at \$2.2M was added to the system in addition to \$169,735 for storm drains, catch basins and manholes, \$238,521 in curb and gutter work along with \$762,800 in concrete sidewalks. Other Transportation project specific enhancements included improvements on West Park Street for nearly \$831,000, the Darneille Lane LID for approximately \$1.0M. Other capital projects undertaken in FY'10 include the Tussing Park expansion, the demolition of the Woodson Reservoir, phase two developments at Redwood Park, and completion of the new River Vista property at Reinhart Park, all reported in Land & Building Capital Projects Fund. Annual debt service payments contributed to the decline in long-term liabilities.

### **Business-type Activities**

The 1.2% increase in net assets for the business-type activities was also primarily due to capital projects and water and sewer infrastructure projects. Approximately \$0.3M of capital asset value was added to the

Water Fund through the installation of 2,995 linear feet of various size water lines and installation of 6 hydrants and associated valves. The Sewer Fund increased capital assets \$0.2M through the addition of 1,750 linear feet of line, 5 manholes and 6 cleanouts. Other major Water projects included work on the Hilltop pump station, the Water Treatment Plant landscaping, influent pump work and other Water Treatment Plant upgrades. Other Sewer capital projects completed during the year were Jo-Gro upgrades, improvements at the Bridge Street pump station, and a relocation of a sewer pipe in the alley between “I” and “J” Streets.

Long-term liabilities were reduced both by annual debt service payments and through a bond offering that refinanced all of the debt in the City’s Enterprise funds. Prior to 2010 the Water Fund, the Sewer Fund, and Redwood Sanitary Sewer Service District (RSSSD) each had long-term debt and a related cash reserve account that was required to be maintained while the old debt was outstanding. The requirement to maintain a reserve account was released and interest rates were significantly lowered through a City full faith and credit bond offering that will continue to be paid by these enterprise funds. Reserve accounts of approximately \$408,000 in the Water Fund, \$501,000 in the Sewer Fund, and \$456,000 in RSSSD were used to pay down the total debt outstanding in each of these funds. After the bond offering in December of 2009, the par amounts of the new bonds outstanding is \$1.13M in the Water Fund, \$5.085M in the Sewer Fund, and \$2.6M in RSSSD. The net present value of the combined savings from this offering was approximately \$731,000 as interest costs were reduced over the term of the debt schedules. Future annual debt service amounts are similar to the previous schedule but the debt will be paid off in full one to two years earlier for each of these three Enterprise funds.

#### **Statement of Activities for the Year Ended June 30, 2010**

While the City dedicates the receipts from all property taxes exclusively to the Public Safety program in the budget process, Government Accounting Standards Board (GASB) 34 guidelines dictate that those revenues not be shown as an activity generated resource but rather appear under the heading of general revenues.

Taxable assessed values for FY’10 increased 3.9% from the previous year. This value increase of \$91M was due to small increases from residential and commercial assessments and increases from light residential and commercial growth. In May, 2009 the voters approved a two-year Local Option Levy of \$1.79/\$1,000 assessed value in support of Public Safety services. The combination of these factors generated an additional property tax levy of \$4.3M for Public Safety (above the permanent rate) of which approximately 95.5% was collected. Certain union operating divisions realized increases in personnel rates in accord with approved labor contracts. Recognizing that the City is not immune to challenging economic conditions, GPEA employees and supervisors (all non-union employees) decided not to take COLA salary rate increases that typically happen in January of each year. The local Firefighters and Teamsters unions also did not receive a COLA increase in this year, however minor contract changes were made and both of these new contracts can be reopened for negotiations on wages only in the next year. With the exception of Public Safety, most of the major primary government divisions experienced a slight decrease in total allocated expenses in FY’10 as compared to FY’09. Of the Business-type activities, Water expenses decreased slightly in line with slightly lower revenues and slightly lower treatment needs, while total Sewer expenses increased nearly 1.5%. Public Safety saw an expense increase due in large part to staffing and maintenance of the two new Public Safety stations, while Development saw a large decrease due partially to lower staffing needs for the full year and lower levels of building activity in the community.



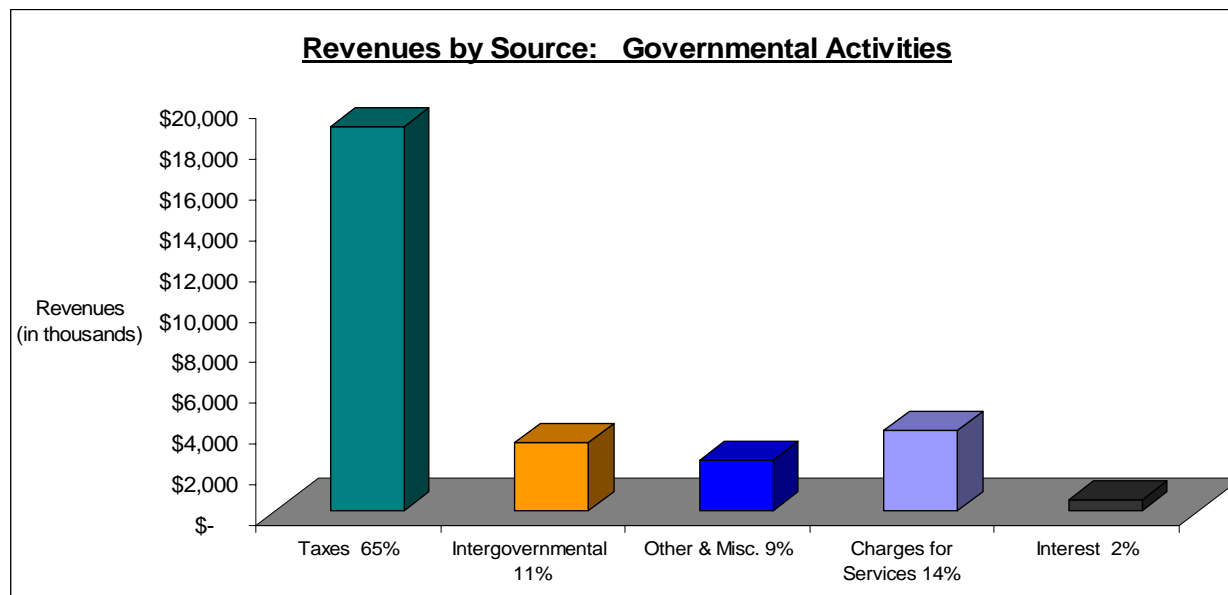
**CITY OF GRANTS PASS - CHANGES IN NET ASSETS**  
(In thousands of dollars)

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
REVENUES:						
Program Revenues:						
Charges for Services	\$ 3,963	\$ 4,435	\$ 9,403	\$ 9,645	\$ 13,366	\$ 14,080
Operating Grants & Contributions	2,193	256	241	909	2,434	1,165
General Revenues:					-	-
Taxes	18,913	17,809	-	-	18,913	17,809
Intergovernmental	3,359	3,929	316	328	3,675	4,257
Other	848	2,099	691	866	1,539	2,965
Total Revenues	<u>29,276</u>	<u>28,528</u>	<u>10,651</u>	<u>11,748</u>	<u>39,927</u>	<u>40,276</u>
EXPENSES:						
Public Safety	16,623	15,716	-	-	16,623	15,716
Transportation	1,668	1,720	-	-	1,668	1,720
Building	497	807	-	-	497	807
Parks	1,715	2,063	-	-	1,715	2,063
Development	1,534	2,789	-	-	1,534	2,789
General Government	1,039	229	-	-	1,039	229
Solid Waste	285	179	-	-	285	179
Water	-	-	3,838	4,172	3,838	4,172
Sewer	-	-	5,568	5,486	5,568	5,486
Interest	657	504	-	-	657	504
Total Expenses	<u>24,018</u>	<u>24,007</u>	<u>9,406</u>	<u>9,658</u>	<u>33,424</u>	<u>33,665</u>
Change in Net Assets before Transfers	5,258	- 4,521	1,245	2,090	6,503	6,611
Transfers	<u>69</u>	<u>390</u>	<u>(69)</u>	<u>(390)</u>	<u>-</u>	<u>-</u>
Change in Net Assets	5,327	4,911	1,176	1,700	6,503	6,611
Beginning Net Assets	<u>164,247</u>	<u>159,336</u>	<u>95,784</u>	<u>94,084</u>	<u>260,031</u>	<u>253,420</u>
Prior Period Adjustment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Ending Net Assets	<u>\$ 169,574</u>	<u>\$ 164,247</u>	<u>\$ 96,960</u>	<u>\$ 95,784</u>	<u>\$ 266,534</u>	<u>\$ 260,031</u>

The City's total revenues were \$39.9M, of which a significant portion, 47.4%, came from taxes, while 33.5% relates to charges for services, including user fees, licenses and permits, and intergovernmental revenues. Operating Grants & Contributions increased significantly during the year primarily as a result of Transportation project funding provided from various State and Federal stimulus allocations. This helped partially offset lower local SDC and other development sensitive revenues received in fiscal 2010 as local building activity remains very weak compared to levels seen just a few years ago.

## **GOVERNMENTAL ACTIVITIES**

### **Program Revenues**



Total tax revenue increased 6.2% in FY'10 generating approximately \$1.1M more in revenues than in FY'09. However, all major categories of taxes experienced slight revenue decreases from the previous year except property taxes. Due to a 3.9% increase in assessed values, a slightly higher local option levy amount compared to the previous year, and a one time property tax turnover from the winding down of the Redevelopment Agency, property taxes increased \$1.2M compared to the previous year. Approximately \$531,000 of the increase was due to the one time property tax turnover from the Redevelopment Agency. Property tax revenues increased approximately 9% from the previous year, while total franchise taxes declined 2%, business taxes declined 4%, and total transient room taxes declined 3% from FY'09.

As mentioned previously, the City dedicates all property tax revenue to the Public Safety program. These monies, together with program-generated revenues, such as grants or dispatch and call-taking contracts, were sufficient to cover the program costs for the fifth consecutive year. The general revenues supplement all other governmental activities except Transportation, which is dependent upon gas tax from the State and the Street Utility Fee, a fixed monthly fee assessed to all residents and commercial establishments dedicated to street, sidewalk, and bike path improvements.

The decrease in Charges for Services is largely attributed to a lower amount of building and development activity in combination with lower amounts of systems development charges and capital contributions from Transportation projects. Building charges for services (permit revenues) generated \$317,067 from the issuance of 72 structural permits, which is approximately 17% lower than the number of permits issued in the previous year. The total of commercial construction increased by \$2.1M in value, while total residential construction declined \$3.2M in value as compared to FY'09. FY'10 was by far the lowest level of construction in residential, and the second lowest year of commercial construction out of any year in the last 10 years. A total of 58 single-family residential permits were issued compared to 75 for FY'09, while the number of multi-family permits was 1 compared to just 1 again in FY'09. Commercial permits totaled 13 in the current year as compared to 11 in FY'09.

Transportation system development charge revenues went from approximately \$682,000 in FY'09 to \$479,000 in FY'10, a decrease of \$203,000, reflecting decreased volume in building permits. Parks

system development charges generated \$141,000 compared to \$194,000 in FY'09 while Storm Drain system development charges remained at approximately \$55,000 which was close to the same level as the previous year.

Operating Grants for Public Safety primarily reflect two awards received from the Department of Homeland Security for both Fire and Police, a Department of Justice-OSP pass through grant awarded to the Police division, and the SAFER Grant for the Fire division. The Transportation program gas tax receipts increased from approximately \$1.2M in FY'09 to nearly \$1.4M in FY'10 due in part to an increase in DMV fees. Gas tax revenue is expected to increase more in coming fiscal years as an increase in the tax amount per gallon is expected to be implemented no later than January of 2011.

## **Program Expenses**

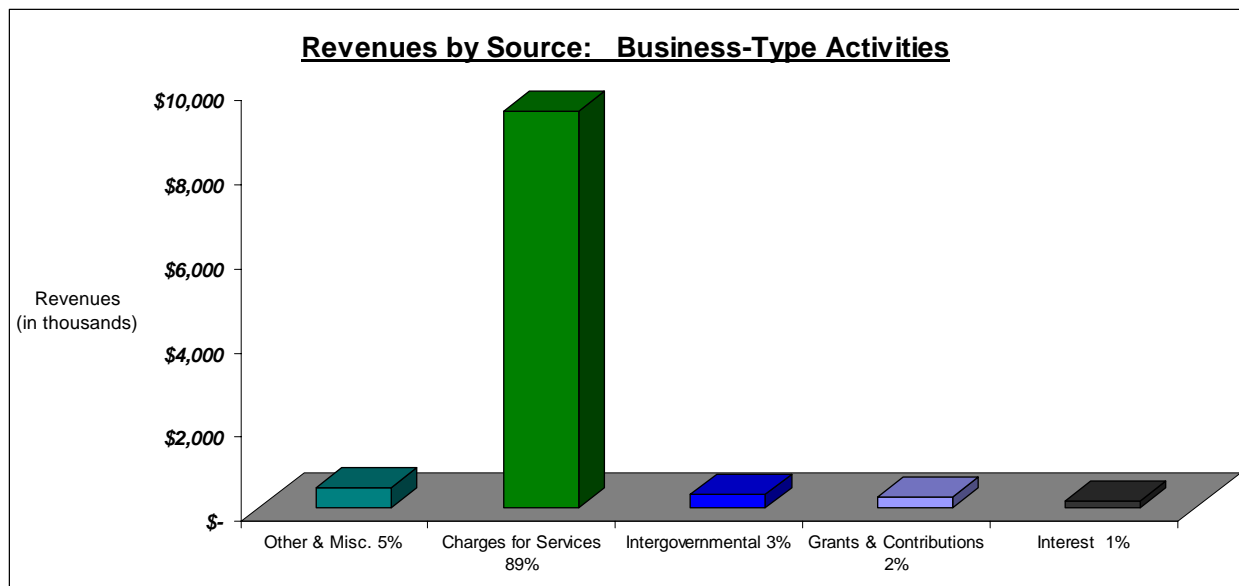
The Adopted FY'10 Budget did not authorize any additional staff in any City departments. However, the total number of unfunded positions increased from 11 in FY'09 to 18 in FY'10. With the decline in revenues in the Community Development department and other areas, the City has acted proactively in choosing to leave positions "unfilled" with positions that were authorized but unfunded. Two additional positions were unfunded in the Planning department, two additional positions were unfunded in the Building department, one position was unfunded in Community Development Management, and two positions were unfunded in Engineering.

Compensation adjustments equal to cost-of-living (COLA) or rate increases set by contract were granted to Police union employees effective January 1, 2010 per the contract. Both Teamsters and the Fire unions started new contract discussions early in fiscal 2010 as existing contracts were set to expire in December of 2009. The new Teamsters and Fire contracts do not have COLA provisions, however they can both be reopened for wages only in FY'11. All non-union employees and supervisors offered to forego COLA salary rate increases that typically happen in January of each year. Non-union employees also joined the American Federation of State, County, and Municipal Employees (AFSCME) union during calendar 2009 but withdrew from the union in 2010 before a new contract was completed.

Total Public Safety program allocated expenses increased during the year, largely the result of bringing the two new public safety stations online in FY'09 to FY'10, contract wage increases, and capital project activity. In the statement of activities, certain expenses such as depreciation and non-capitalized project expenditures are allocated to all departments based on pro-rated expenditure levels. Capital asset related transactions such as depreciation had a high allocation to all departments as compared to the previous years. Building and Development had large decreases in expenses for the year due to lower staffing and lower levels of building activity. General government expenses increased slightly for the year as the City Manager left his position and a contract severance amount was paid out of the General Fund in early fiscal 2010.

## **BUSINESS-TYPE ACTIVITIES**

### **Program Revenues**



City utility accounts experienced a small amount of growth in the number of accounts. Total Water accounts increased by 81 in number, less than a 1% change compared to the previous year. However, Water charges for services decreased 6.3% largely due to a rainy summer season and unseasonably warm summer temperatures in the previous year. Wastewater service charge revenues were mostly flat compared to the previous year and increased only \$29,000 from last year. The cost-of-living index (COLA) of 2.54%, applied to all utility user fees effective January, 2008, impacted both Water and Wastewater revenues. However, the COLA increase implemented in January of 2009 of 4.45% was rolled back by Council to the 2008 levels effective March 1<sup>st</sup> of 2009 for all utilities. Due to deteriorating financial capacity for the Wastewater Fund, the 2009 COLA was implemented again in February of 2010 for Wastewater only. There was no regularly scheduled utility rate change in January 2010 due to the consumer price index being flat for the year.

The Redwood Sanitary Sewer Service District's charges for services remained mostly flat, with a small decrease of about 1% compared to the previous year. While the regular annual COLA was also implemented in January of 2009, the City Council (which serves as the RSSSD Board) rolled back rates to the 2008 levels effective March 1<sup>st</sup> of 2009. There was no regular rate change in January of 2010 for any of the City's component business type activities.

Water system development charge revenues went from \$290,000 in FY'09 to \$235,000 in FY'10, a decrease of \$55,000 and reflecting decreased volume in development activity. Sewer system development charges generated \$207,000 compared to \$212,000 in FY'09. These revenues are considered non-operating income for the Water and Sewer funds.

### **Program Expenses**

Slightly lower production levels for Water service decreased variable expenses and led to slightly lower expenses in most areas. Water operational expenses increased 1.8% in salaries and benefits, decreased 5.2% in materials and supplies, and decreased 14.8% in services and utilities combined. Sewer operational expenses increased 5.9% in salaries and benefits, increased 13.1% in materials and supplies, and decreased 10.6% in services and utilities.

While total business type activity depreciation expenses for the year remained flat compared to the previous year, there was a slight depreciation increase for the Water Fund and a slight depreciation expense decrease for the Sewer Fund. Large assets placed in service during the year included the Hilltop pump station, the Water Treatment Plant landscaping, influent pump work and other Water Treatment Plant upgrades. Sewer capital projects completed during the year were Jo-Gro upgrades, improvements at the Bridge Street pump station, and a relocation of a sewer pipe in the alley between “I” and “J” Streets.

## **FINANCIAL ANALYSIS OF THE CITY’S FUNDS**

### **Governmental Funds**

The General Fund GAAP balance ended the year at \$10.2 million, an increase of \$2.5M for the year. The ending budgetary balance was closer to \$8.4M, with the difference being an interfund loan due from the Lands and Buildings Fund. The General Fund was budgeted to have a lower fund balance at the end of the year, however the majority of the loan from the Redevelopment Agency was paid back a year earlier than expected and many programs were significantly under expenditure budgets. The most notable was Public Safety, coming in nearly \$887,000 under budget expenditure appropriations. The Planning and Building departments also contributed approximately \$302,000 in total budget savings as a result of layoffs and not filling open positions. Many revenue categories were slightly higher than expected with the exception of intergovernmental revenues, which for the General Fund are mostly grants. Property taxes came in almost \$603,000 over budget due almost entirely to a one-time tax turnover from the Redevelopment Agency in the amount of approximately \$531,000. Total expenditures for the General Fund were \$2.1M under appropriation levels (including \$680,000 of unused contingencies) and total General Fund revenues were \$2.8M over budget estimates for the year. The Redevelopment Agency loan paid back to the General Fund a year early accounted for \$2.2M of the revenue over budget while the rest of the excess was primarily the one time property tax turnover of \$531,000.

System development charges are regulated by state statute and provide major revenue sources for Transportation projects and Lands & Building projects. The Transportation system development charge is committed to the development of collector and major arterial roadways as specified in City ordinance. Two Parks system development charges are reported under the Lands & Building Projects Fund. One is restricted to the acquisition (not development) of future park and trail land while the second, implemented in June, 2007, is designated for development. The Parkway Redevelopment Agency derived its revenues from property taxes that were restricted for only projects identified in the Agency’s approved development plan and debt service. However, this Agency recently finished its 20<sup>th</sup> and last year of approved tax levies and ceased to collect property taxes during FY’09. The Agency turned over approximately \$1.6M of taxes back to the County in FY’10 which represented the estimated excess of the remaining cash above the amounts of the final obligations for the Agency. It is expected that the wind up of all the Agency’s remaining project and debt obligations will occur during fiscal 2011.

Other major governmental funds and their respective changes in fund balance are shown in the table below:

**Schedule of Other Major Governmental Fund Balances  
As of June 30, 2010 and 2009**

	2010	2009	Change
Bancroft Bond Fund	\$ (1,360,828)	\$ (1,782,901)	\$ 422,073
General Obligation Bond Fund	68,937	60,113	8,824
Transportation Projects Fund	7,985,396	8,124,585	(139,189)
Solid Waste	2,917,754	2,975,454	(57,700)
Lands & Buildings Project Fund	2,714,260	4,106,954	(1,392,694)
Parkway Redevelopment Agency	586,647	2,081,428	(1,494,781)
Total Fund Balances	<u>\$ 12,912,166</u>	<u>\$ 15,565,633</u>	<u>\$ (2,653,467)</u>

The Bancroft Bond fund provides assessment loans to citizens that don't want to pay for their entire portion of local improvement district assessments upon completion. The Bancroft Bond fund balance increased during the year due to repayments on loans. Internal loans have been used to provide resources to the Bancroft Bond Fund, because individual Local Improvement Districts have been insufficient in dollar value to warrant public borrowing. The general economic downturn has slowed the pace of Transportation capital project spending in the City. Major revenue sources for the Transportation Capital Projects Fund such as SDC's and contributions from the General Fund transfers are expected to decrease significantly in coming years and more of the Transportation Capital Fund balance is expected to be used in coming fiscal years. The fund balance for the Parkway Redevelopment Agency decreased for the year because nearly \$1.6M was turned back over to the County in property tax turnover. The remaining capital projects identified in the Agency's voter approved plan should be funded in the next fiscal year.

Significant FY'10 Transportation projects were funded by various sources such as the Redevelopment Agency, system development charges, grants as well as monies from both the Water and Sewer funds in some cases. Two transportation projects completed in the year were improvements on West Park Street for nearly \$831,000 and the Darneille Lane LID for approximately \$1.0M. FY'10 was the first year where the General Fund provided no capital project fund money, which has been heavily used in transportation projects in past years.

The decrease in the Lands and Buildings Project Fund is due to nearly completing all projects approved in the 2007 Public Safety General Obligation Bond. In June of 2007, \$9,820,000 of General Obligation Bonds, approved by voters in November, 2006, were issued for the construction of Public Safety facilities and acquisition of related equipment. The proceeds were placed in the Lands & Building Project Fund for routine progress payments as construction proceeds. During FY'10, \$1.1M in progress payments were made on the construction of the new police/fire stations, the new training tower, and related equipment for the new stations.

## Schedule of Other Major Business-type Unrestricted Net Assets

**As of June 30, 2010 and 2009**

	2010	2009	Change
Water Fund	\$ 3,469,583	\$ 4,121,020	\$ (651,437)
Sewer Fund	3,095,844	3,245,511	(149,667)
Harbeck-Fruitdale Sewer District	-	(29,800)	29,800
Redwood Sanitary Sewer Service District	1,211,098	1,568,610	(357,512)
Total Fund Balances	<u>\$ 7,776,525</u>	<u>\$ 8,905,341</u>	<u>\$ (1,128,816)</u>

### Business-type Funds

The operating segment of the Water Fund ended the year with an unrestricted fund balance of \$1.4M compared to an ending balance of \$1.3M in FY'09. Operating income for the Water Fund was \$191,000 and total net assets increased by \$543,000, however total capital assets increased by \$447,000 leading to the decrease in "unrestricted" net assets as shown above. Water revenues from operations, together with system development charges, were adequate to fund planned and appropriated projects including: Water projects included work on the Hilltop pump station, the Water Treatment Plant landscaping, influent pump work and other Water Treatment Plant upgrades. However, operating income continues to trend downward in recent years and current operating income plus SDC revenue is not sufficient to sustain capital project activity at similar levels in future years. Water rates will need to be reviewed to ensure the utility can keep up with infrastructure maintenance and growth needs.

The Sewer Fund posted an operating loss of \$198,000. This operational bottom line is about \$188,000 below the previous year's loss, which is partly why Council approved the reinstating of 2009 Sewer rate increase that was rolled back in 2009. New rates effective in February 2010 were designed to implement the rolled back COLA and recover the approximate amount of revenue that was missed during the roll back period. The Sewer operations fund ended with an unrestricted net assets balance of \$0.6M, up about \$0.1M from FY'09. Sewer SDC charge revenues were similar to last year's low levels and capital project activity did not match depreciation for the year and therefore net fixed asset values fell slightly for the year. Non-operating income types such as SDCs, intergovernmental revenue, and developer installed infrastructure (recorded as capital contributions) made up for the small increase in net assets for the Sewer Fund. Thanks to this non-operational activity the total unrestricted net assets increased for the Sewer Fund by approximately \$236,000.

Among other efforts, Sewer capital projects completed during the year were Jo-Gro upgrades, improvements at the Bridge Street pump station, and a relocation of a sewer pipe in the alley between "I" and "J" Streets. Similar to the Water Fund, operating income continues to trend downward in recent years for the Sewer Fund and current operating income plus SDC revenue is not sufficient to sustain capital project activity at the proper levels in future years. Sewer rates will also need to be reviewed to ensure the utility can keep up with infrastructure maintenance and growth needs.

The Redwood Sanitary Sewer Service District (RSSSD) ended the year with a \$1.2M unrestricted fund balance, about \$0.4M lower than FY'09. An extra principal payment and underwriting fees were paid during the year as a result of a debt refinancing. Proceeds from a debt refunding can be used to legally make these types of non-budgeted debt service related expenditures. The new debt structure eliminates the need to maintain cash reserves for the debt, and the refinancing transaction is the primary reason the unrestricted fund balance decreased for the year.

In December 2009, full faith and credit refunding bonds were issued to refinance all the fixed rate debt outstanding for the City's business-type activities. Prior to 2010 the Water Fund, the Sewer Fund, and Redwood Sanitary Sewer Service District (RSSSD) each had long-term debt and a related cash reserve account that was required to be maintained while the old debt was outstanding. The requirement to maintain a reserve account was released and interest rates were significantly lowered through this bond offering. Reserve accounts of approximately \$408,000 in the Water Fund, \$501,000 in the Sewer Fund, and \$456,000 in RSSSD were used to pay down the total debt outstanding in each of these funds in addition to the normal annual principal payments.

### **Other Budgetary Highlights**

During FY'10, events occurred that were not specifically anticipated at the time of budget hearings. The Council authorized transfers or other general appropriations to cover these occurrences, most of which were small in nature during FY'10 except the severance payment to the former City Manager. The City Manager left his position and a budget adjustment was made for the contract severance amount that was paid out in early fiscal 2010. This severance amount and budget adjustment was \$150,000 and the payment was made out of the General Program Operations of the General Fund.

## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

### **Capital Assets**

At the end of 2010, the City had invested \$242,880,645 in a broad range of capital assets, including land, equipment, buildings, and vehicles, as reflected in the following table which represents a net increase (additions, deductions and depreciation) of \$4.53 million. Please refer to Note 5 for more detailed information.

The following table reconciles the change in capital assets. Additions include assets acquired or under construction at year-end. Reductions are for the disposition of assets and depreciation.

Change in Capital Assets (In Millions)

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Beginning Balance	143.36	137.41	94.99	94.49	238.35	231.9
Additions	21.58	8.31	2.91	3.24	24.49	11.55
Retirement						
Other	-14.66	-0.41	-0.65	-0.39	-15.31	-0.80
Depreciation	-2.24	-1.95	-2.41	-2.35	-4.65	-4.30
Ending Balance	148.04	143.36	94.84	94.99	242.88	238.35

Major additions to Governmental Activities assets for the year were generated by Transportation projects and finishing the two new bond funded Public Safety stations and related training tower. Progress payments on the new Public Safety stations added \$1.1M to Governmental activity capital assets. The stations were complete at year-end and the final construction component of the training tower was nearly complete. Right-of-Way totaling approximately 552,000 square feet and valued at \$2.2M was added to the system in addition to \$169,735 for storm drains, catch basins and manholes, \$238,521 in curb and gutter work along with \$762,800 in concrete sidewalks. Transportation project specific enhancements included improvements on West Park Street for nearly \$831,000, the Darneille Lane LID for



approximately \$1.0M. Other capital projects undertaken in FY'10 include the Tussing Park expansion, the demolition of the Woodson Reservoir, phase two developments at Redwood Park, and completion of the new River Vista property at Reinhart Park, all reported in Land & Building Capital Projects Fund. Utility specific projects included work on the Hilltop pump station, the Water Treatment Plant landscaping, influent pump work, Jo-Gro upgrades, improvements at the Bridge Street pump station, and a relocation of a sewer pipe in the alley between "I" and "J" Streets.

### Long-Term Debt

At year-end the City had bonds, contracts and notes outstanding that totaled \$19,057,103.

Outstanding Debt at Year End (in millions)			
	2010		2009
<b>Governmental:</b>			
General obligation	\$ 7.93	\$	8.49
Post-Closure / environmental care costs	2.49		2.60
Notes and Contract payable	.09		.66
Sub Total	10.50		11.75
<b>Business-type Activities:</b>			
Bonds payable	\$ 8.12	\$	1.54
Unamortized Premium / Discount	0.43		-0.01
Notes and Contracts Payable	-0-		10.43
Sub Total	8.55		10.79
<b>Total</b>	<b>\$ 19.06</b>	<b>\$</b>	<b>22.54</b>

In December 2009, full faith and credit refunding bonds were issued to refinance all the fixed rate debt outstanding for the City's business-type activities. Prior to 2010 the Water Fund, the Sewer Fund, and Redwood Sanitary Sewer Service District (RSSSD) each had long-term debt and a related cash reserve account that was required to be maintained while the old debt was outstanding. The requirement to maintain a reserve account was released and interest rates were significantly lowered through this bond offering. While a full faith and credit issue of the City, the debt will continue to be paid by these utilities. Reserve accounts of approximately \$408,000 in the Water Fund, \$501,000 in the Sewer Fund, and \$456,000 in RSSSD were used to pay down the total debt outstanding in each of these funds. After the bond offering in December of 2009, the par amounts of the new bonds outstanding was \$1.13M in the Water Fund, \$5.085M in the Sewer Fund, and \$2.6M in RSSSD. The net present value of the combined savings from this offering was approximately \$731,000 as interest costs were reduced over the term of the debt schedules. Future annual debt service amounts are similar to the previous schedule but the debt will be paid off in full one to two years earlier for each of these three Enterprise funds. Regular annual debt service payments also contributed to the decline in most categories of debt. A \$560,000 principal payment was made on the general obligation bonds during the year. Detailed charts about the City's debt are presented in Note 7 of the financial statements.

### ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Council, wishing to maintain service levels in our growing community, placed before the voters a two-year replacement Public Safety levy in 2009 at a \$1.79/\$1,000 assessed value. The measure was

approved by a large voting margin following a narrow failure for a \$1.89 levy vote in 2008. It provides a dedicated resource for Public Safety for fiscal years 2010 through 2011, allowing similar service levels to previous years. In addition, in November 2010 the renewal measure for the levy at \$1.79 for an additional three years also passed by a large margin. Public Safety now has the dedicated resources through Fiscal 2014 to maintain the current level of service. The additional three-year levy provides time to study financial alternatives to the local option levy funding structure and to do more strategic planning for Public Safety.

Most of the City's general revenue sources have been in a flat trend since 2008 and are expected to remain mostly flat in total through fiscal 2012. Property tax revenues increased slightly and are expected to continue to increase slightly for the coming years in the range of 2-3% including new development. The fiscal 2011 tax assessments came in with an increase of approximately 2.8%, with nearly 1% coming from new development and 1.8% from the County Assessor increases on existing properties. Last year the average housing market values were still well above current assessed values and the Josephine County Assessor is only allowed to increase annual property tax assessments by no more than 3% per year. With only a 1.8% increase on existing properties in FY'11 it's clear that some properties' market values have already reached assessed values due to the housing downturn. All other general revenue sources, such as franchise taxes and State revenue sharing in total are not expected to have significant changes in the near term. With limited economic growth currently expected, changes in the largest general revenue source of franchise taxes will remain dependent largely on rate changes by these utilities. The General Fund annual \$1M contribution to capital projects was taken out of the FY'10 budget in order to keep operational service levels the same across all the General Fund's departments (with the exception of Public Safety that uses limited general revenue sources). The lack of these general funds going to capital projects in addition to SDC revenues being down substantially due to low levels of building activity will cause a strain on the funds available for capital projects in coming years.

The City has not been immune to the national construction slowdown and FY'10 building permits and values were even lower than the extremely low levels of the past two years. Building issued 72 structural permits, which is approximately 17% lower than the number of permits issued in the previous year. The total of commercial construction increased by \$2.1M in value, while total residential construction declined \$3.2M in value as compared to FY'09. FY'10 was by far the lowest level of construction in residential, and the second lowest year of commercial construction out of any year in the last 10 years. A total of 58 single-family residential permits were issued compared to 75 for FY'09, while the number of multi-family permits was 1 compared to just 1 again in FY'09. Commercial permits totaled 13 in the current year as compared to 11 in FY'09. This significant change in the issuance of permits, together with a decline in average median price of local home sales, suggests the local residential housing market downturn may not be complete. However, there are some early signs that commercial development is picking up a little bit. A couple significant building projects within the City are on the short-term horizon such as a medical facility and Home Depot store. The Community Development departments have a significant number of positions open but unfunded for the coming year.

The health insurance premium increase for January, 2010 was 12% and close to the change budgeted for the year. Initial quotes for 2011 are for a 5.5% increase due almost entirely to better experience levels compared to previous years. Part of this increase, we are told, is due to a 1-3% upward adjustment from the insurance company for costs related to the new national healthcare bill. An insurance committee composed of labor representatives, the City's agent of record, and management, continues to look at ways to lower these costs. The amount factored into the budget for FY'11 was an increase of 10% for insurance as this has been our average annual rate change experience in recent years. The dual choice selection and use of a Health Reimbursement Arrangement (HRA) will continue to be offered to employees. This effort is deemed a long-term strategy to encourage support from employees in managing health benefits and costs. While this change cannot be forced upon labor bargaining members without benefit of negotiation, providing dual choice allows all employees to make individual selections if they choose.

Labor contracts with the Fire and Teamsters bargaining units expired December 31, 2009 and new contracts were entered into during 2010. Recognizing that the City is not immune to challenging economic conditions, GPEA employees and supervisors (all non-union employees) decided for the second year in a row not to take COLA salary rate increases that typically happen in January of each year. The local Firefighters and Teamsters unions also did not receive a COLA increase in this year, however minor contract changes were made and both of these new contracts can be reopened for negotiations on wages only in the next year. The uncertainty of the Public Safety levy vote in May of 2009 kept negotiations from beginning prior to finalizing budgets for FY'10. As salaries for these groups escalate, the salary margin for supervisors is becoming a larger issue. In turn, equity questions arise when comparing management salaries across the organization. All union groups received a small wage increase in 2009, while all non-union employees and supervisors decided to recognize the challenging economic conditions and did not take an annual COLA wage increase. That being said, Police is the only bargaining unit currently with an established COLA rate. Wages and cost sharing of benefits will continue to be issues brought to the negotiation table. Non-union employees also joined the American Federation of State, County, and Municipal Employees (AFSCME) union during calendar 2009 but withdrew from the union in 2010 before finalizing a new wage contract.

Staff, at the direction of City Council, has presented to Council a Storm Water Master Plan together with a Storm Water and drainage system development charge and associated Storm Water utility fee for implementation. The system development charge was originally designed to be adopted in the fall of 2007 with billing for the monthly utility fee slated to begin in February, 2008. Final hearings and adoption of the Utility were expected in 2009-2010; however Council decided to focus their efforts in other areas such as existing utility fees, SDC fees, and the Public Safety levy. At this time it is uncertain when discussions on the Storm Water utility will continue.

Multiple discussions and workshops with the Council have been conducted dealing with funding mechanisms for infrastructure. Presently the City offers property owners the opportunity to pay for improvements fronting their property through the formation of a Local Improvement District (LID). Property owners gain the benefit of spreading the debt over a period of 5 to 20 years at an interest rate that is usually lower than that found in the open market. Another financing tool, used primarily by developers, is an Advanced Finance District whereby property owners, who wish to benefit from the extension of utility lines and street improvements across their frontage that were installed for access beyond their boundaries, are required to reimburse the developer for pro-rate costs at the time they develop. Both of these tools have caused concern regarding methodology of cost allocation and factors that determine the City's share of costs. As a result several major transportation projects have been put on hold because a significant portion of their funding would be generated by LIDs. However, through the assistance of new infrastructure grant programs the cost of certain major LIDs to the benefited properties have been reduced enough for one major LID to be completed in the last year. There is also a transportation SDC task force that was established in the last year and is nearing completion on the initial recommendations for properly funding transportation infrastructure.

In 2006 the City purchased 250 acres of agricultural land for future City uses including park development. Prior to the purchase a Phase I Environmental Site Assessment (ESA) was conducted. Three recognized environmental conditions were identified in the ESA. Of primary concern was an approximately 50 x 50 foot area where pentachlorophenol was mixed with diesel fuel and then applied as a preservative to wood poles. The purchase agreement provided a credit of \$67,280 based on the Phase I ESA. More than \$150,000 has been spent to evaluate and manage the water and soil contamination. Final remediation and the sharing of those associated costs have not been exactly determined but the City received a Grant in the last year which is expected to pay for nearly all the remaining costs of the cleanup. Discussions on how to develop this major piece of property will be a major focus for Council and various committees in the next couple years.

External factors that could impact the City include the fiscal health of state government and changes to the Public Employees Retirement System (PERS). State legislative changes to PERS enacted during calendar year 2003 resulted in increased rates to all governmental agencies effective July 1, 2003. In the long run these changes will be helpful to reduce future costs, but poor financial market performance and actuarial liabilities due to the older class of public employees will cause significant PERS rate increases starting in Fiscal 2012.

PERS now changes rates every two years based on investment performance and portfolio valuations approximately 18 months prior to the date of change. Therefore, December 2007 values were used to calculate the rate that is in effect starting in July of 2009 (Fiscal 2010 and 2011 rates). Since current rates were calculated prior to the financial markets turning down significantly in 2008, PERS rates for FY'10-FY'11 are slightly less than the preceding two years. However, because of the large negative performance of the markets during 2008, large PERS rate increases are locked in for the next rate change cycle. The rates billed out to departments during fiscal 2010 stayed the same, billed rates increased slightly in FY'11, and the excess PERS reserves will be used to limit the impact of future rate increases. However, reserves that will have built up by the time the rate increase takes effect will not be sufficient to cover the increase for more than two fiscal years of the added expense and yet another increase is likely in the following cycle of FY'14-15. Based on current salaries, the cost to the City for PERS will increase \$500,000 to \$600,000 per year in total starting in fiscal 2012. How to better prepare for this known ongoing expense increase in the future will be a major topic of discussion in Council and Budget Committee hearings each year.

The employee's share of PERS retirement is 6% and had been paid by the employees following a series of salary adjustments in the early 1990's. The City of Grants Pass was one of few municipal PERS covered employers in the state that did not pay this benefit. Potential recruitments were negatively influenced by this 6% reduction in take-home pay when considering our compensation package and the employee's out-of-pocket share of benefits. In addition this issue had been repeatedly raised for a number of years at the labor bargaining table. Effective July 1, 2007, each of the bargaining groups agreed to a 3% salary reduction in exchange for having the City pay the employee's share of PERS. It is believed that this change will assist the City in recruiting quality candidates as well as be of benefit during labor negotiations when comparing Grants Pass to other municipalities.

### **CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

Our financial report is designed to provide our taxpayers, ratepayers, investors and creditors with an overview of the City's finances. If you have any questions about this report or need any clarification of information please contact the Finance Department at the City of Grants Pass at (541) 474-6360, 101 N.W. "A" Street, Grants Pass, Oregon, 97526.

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**BASIC FINANCIAL STATEMENTS**

**WHERE THE ROGUE RIVER RUNS**



© City of Grants Pass

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**STATEMENT OF NET ASSETS  
JUNE 30, 2010**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Josephine County City of Grants Pass Solid Waste Agency
<b>ASSETS</b>				
Assets:				
Cash and Cash Equivalents	\$ 31,791,272	\$ 6,856,312	\$ 38,647,584	\$ 1,274,598
Receivables, net	3,752,178	1,424,997	5,177,175	21,813
Prepaid Items	285,518	5,602	291,120	-
Internal Balances	(2,893,681)	2,893,681	-	-
Restricted Assets:			-	-
Cash and Cash Equivalents	2,631,009	313,746	2,944,755	-
Receivables, net	670,523	290,158	960,681	-
Capital Assets not being depreciated	69,902,693	3,317,141	73,219,834	-
Capital Assets, net of Accumulated Depreciation	78,134,715	91,526,096	169,660,811	-
Total Assets	184,274,227	106,627,733	290,901,960	1,296,411
<b>LIABILITIES AND NET ASSETS</b>				
Liabilities:				
Accounts Payable and Other Current Liabilities	838,875	498,991	1,337,866	16,397
Accrued Payroll	966,847	524,329	1,491,176	-
Unearned Revenue	-	-	-	-
Retainage Payable	264,839	-	264,839	-
Customer Deposits	-	90,970	90,970	-
Noncurrent Liabilities				
Due Within One Year	652,500	1,080,000	1,732,500	-
Due in More than One Year	11,977,281	7,473,004	19,450,285	-
Total Liabilities	14,700,342	9,667,294	24,367,636	16,397
Net Assets:				
Invested in Capital Assets, net of related debt (1)	138,145,695	86,290,233	224,435,928	-
Restricted for Capital Purposes	482,870	-	482,870	-
Unrestricted (1)	30,945,320	10,670,206	41,615,526	1,280,014
Total Net Assets	\$ 169,573,885	\$ 96,960,439	\$ 266,534,324	\$ 1,280,014

(1) - refer to note 15 for unspent bond offering proceeds in the Land and Buildings Project Fund that affect the calculation of Unrestricted Net Assets.

The accompanying notes are an integral part of this statement.

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**STATEMENT OF ACTIVITIES  
For the Fiscal Year Ended June 30, 2010**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants
<b>Primary Government</b>				
Governmental Activities				
Public Safety	\$ 16,622,773	\$ 508,343	\$ 255,602	\$ 2,600
Transportation	1,668,081	1,679,342	1,824,106	-
Building	496,906	317,067	-	-
Parks	1,714,511	23,095	4,000	-
Development	1,534,263	251,184	106,037	-
General Government	1,039,310	898,500	-	-
Solid Waste	284,876	285,757	-	-
Interest	657,027	-	-	-
Total Governmental Activities	<u>24,017,747</u>	<u>3,963,288</u>	<u>2,189,745</u>	<u>2,600</u>
Business-Type Activities				
Water	3,837,597	4,041,855	144,514	
Sewer	5,567,558	5,360,977	96,215	
Total Business-Type Activities	<u>9,405,155</u>	<u>9,402,832</u>	<u>240,729</u>	<u>-</u>
Total Primary Government	<u>\$ 33,422,902</u>	<u>\$ 13,366,120</u>	<u>\$ 2,430,474</u>	<u>2,600</u>
<b>Component Unit</b>				
Josephine County-City of Grants				
Pass Solid Waste Agency	<u>\$ 185,059</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>

The accompanying notes are an integral part of this statement.



Net Revenue (Expenses) and Changes in Net Assets				
	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Josephine County City of Grants Pass Solid Waste Agency
	\$ (15,856,228)	\$ -	\$ (15,856,228)	\$ -
	1,835,367	-	1,835,367	-
	(179,839)	-	(179,839)	-
	(1,687,416)	-	(1,687,416)	-
	(1,177,042)	-	(1,177,042)	-
	(140,810)	-	(140,810)	-
	881	-	881	-
	(657,027)	-	(657,027)	-
	<u>(17,862,114)</u>	<u>-</u>	<u>(17,862,114)</u>	<u>-</u>
	-	348,772	348,772	-
	-	(110,366)	(110,366)	-
	<u>-</u>	<u>238,406</u>	<u>238,406</u>	<u>-</u>
	<u>(17,862,114)</u>	<u>238,406</u>	<u>(17,623,708)</u>	<u>-</u>
	-	-	-	(185,059)
General Revenues				
Taxes:				
Property	15,307,952	-	15,307,952	-
Business	299,697	-	299,697	-
Franchise	2,364,958	-	2,364,958	-
Transient Room	940,765	-	940,765	-
Intergovernmental-unrestricted	3,359,165	315,658	3,674,823	224,819
Interest	550,250	145,702	695,952	13,587
Trust Receipts - unrestricted	131,584	26,432	158,016	-
SDC Receipts	-	441,550	441,550	-
Industrial Payments	13,163	-	13,163	-
Miscellaneous	152,842	77,397	230,239	128,886
Transfers	68,884	(68,884)	-	-
Total General Revenues and Transfers	<u>23,189,260</u>	<u>937,855</u>	<u>24,127,115</u>	<u>367,292</u>
Change in Net Assets	5,327,146	1,176,261	6,503,407	182,233
Beginning Net Assets	<u>164,246,739</u>	<u>95,784,178</u>	<u>260,030,917</u>	<u>1,097,781</u>
Ending Net Assets	<u>\$ 169,573,885</u>	<u>\$ 96,960,439</u>	<u>\$ 266,534,324</u>	<u>\$ 1,280,014</u>

The accompanying notes are an integral part of this statement.

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2010**

	<u>SPECIAL REVENUE</u>		<u>DEBT SERVICE</u>	
	<u>GENERAL</u>	<u>SOLID WASTE</u>	<u>GEN OBLIGATION BOND</u>	<u>BANCROFT BOND</u>
<b>ASSETS:</b>				
Assets:				
Cash and Investments	\$ 8,170,019	\$ 1,408,929	\$ 58,809	\$ 150,463
Receivables:				
Taxes	1,393,550	-	86,444	-
Intergovernmental	127,572	-	-	-
Accounts, net	175,027	(2)	-	-
Accrued Interest	4,904	-	-	29,440
Notes and Contracts	-	21,813	-	-
Grants	295,003	-	-	-
Assessment Liens	-	-	-	855,625
Due from Other Funds	1,830,000	1,540,000	-	-
Prepaid Items	-	50	-	-
Restricted Assets				
Cash and Cash Equivalents	-	-	-	-
Notes and Taxes Receivable	-	-	-	-
Accrued Interest Receivable	-	-	-	-
Total Assets	<u>\$ 11,996,075</u>	<u>\$ 2,970,790</u>	<u>\$ 145,253</u>	<u>\$ 1,035,528</u>
<b>LIABILITIES AND FUND BALANCES:</b>				
Liabilities:				
Accounts Payable	283,438	52,767	-	-
Salaries, Withholdings and Taxes Payable	323,762	269	-	-
Accrued Interest Payable	-	-	-	731
Due to Other Funds	-	-	-	1,540,000
Deferred Revenue	1,191,097	-	76,316	855,625
Assessment Trust Payable	-	-	-	-
Note Payable	-	-	-	-
Retainage Payable	-	-	-	-
Total Liabilities	<u>1,798,297</u>	<u>53,036</u>	<u>76,316</u>	<u>2,396,356</u>
Fund Balances:				
Reserved for Debt Service	-	-	68,937	-
Reserved for Capital Purposes	-	-	-	-
Unreserved Reported in:				
General Fund	10,197,778	-	-	-
Special Revenue Funds	-	2,917,754	-	-
Debt Service Funds	-	-	-	(1,360,828)
Capital Projects Funds	-	-	-	-
Total Fund Balances	<u>10,197,778</u>	<u>2,917,754</u>	<u>68,937</u>	<u>(1,360,828)</u>
Total Liabilities and Fund Balances	<u>\$ 11,996,075</u>	<u>\$ 2,970,790</u>	<u>\$ 145,253</u>	<u>\$ 1,035,528</u>

The accompanying notes are an integral part of this statement.

CAPITAL PROJECTS				
TRANSPORTATION PROJECTS	LAND AND BUILDING PROJECTS	PARKWAY REDEVELOPMENT	TOTAL NON-MAJOR	TOTAL GOVERNMENTAL
\$ 6,046,407	\$ 4,349,297	\$ 322,986	\$ 2,990,502	\$ 23,497,412
-	-	-	-	1,479,994
-	-	-	116,003	243,575
-	-	-	131,762	306,787
6,231	-	13,852	609	55,036
59,711	-	167,371	201,456	450,351
-	28,857	-	-	323,860
-	-	-	-	855,625
-	-	-	-	3,370,000
-	-	250,000	-	250,050
2,297,387	804	250,000	82,818	2,631,009
516,172	81,211	-	35,256	632,639
17,772	14,145	-	5,967	37,884
<u>\$ 8,943,680</u>	<u>\$ 4,474,314</u>	<u>\$ 1,004,209</u>	<u>\$ 3,564,373</u>	<u>\$ 34,134,222</u>
117,066	64,242	190	57,659	575,362
496	127	-	15,081	339,735
-	-	-	-	731
-	1,580,000	250,000	146,205	3,516,205
575,883	81,211	167,372	236,712	3,184,216
-	34,474	-	-	34,474
-	-	-	-	-
264,839	-	-	-	264,839
<u>958,284</u>	<u>1,760,054</u>	<u>417,562</u>	<u>455,657</u>	<u>7,915,562</u>
-	-	-	-	68,937
-	482,870	-	-	482,870
-	-	-	-	10,197,778
-	-	-	3,108,716	6,026,470
-	-	-	-	(1,360,828)
7,985,396	2,231,390	586,647	-	10,803,433
<u>7,985,396</u>	<u>2,714,260</u>	<u>586,647</u>	<u>3,108,716</u>	<u>26,218,660</u>
<u>\$ 8,943,680</u>	<u>\$ 4,474,314</u>	<u>\$ 1,004,209</u>	<u>\$ 3,564,373</u>	<u>\$ 34,134,222</u>

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**RECONCILIATION OF BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO STATEMENT OF NET ASSETS  
JUNE 30, 2010**

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Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets.

Fund Balances		\$	26,218,660
The cost of capital assets (land, buildings, improvements, machinery and equipment, infrastructure, and construction in progress) is reported as an expenditure in governmental funds. The statement of net assets includes those capital assets among the assets of the City as a whole.			
Net Capital Assets			146,231,108
Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net assets.			
General Obligation Bonds	\$	(7,930,000)	
Post Closure Costs		(2,255,198)	
Environmental Liability		(228,900)	
Notes and Contracts Payable		(90,000)	
Net Adjustment			(10,504,098)
Accrued compensated absences are not due and payable in the current period and therefore are not reported in the funds.			
Accrued Vacation and Sick Leave			(1,593,375)
GASB45-OPEB			(532,307)
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.			
Deferred Revenue			3,184,216
Internal service funds are used by the City to account for the fleet operations, support services, administrative service and insurance services that are provided to the other departments and agencies on a cost reimbursement basis. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Assets.			
Internal Service Fund Net Assets			6,569,681
Total Net Assets		\$	169,573,885

The accompanying notes are an integral part of this statement.

**WHERE THE ROGUE RIVER RUNS**



© City of Grants Pass

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**  
**STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the Fiscal Year Ended June 30, 2010**

	<u>SPECIAL REVENUE</u>		<u>DEBT SERVICE</u>	
	<u>GENERAL</u>	<u>SOLID WASTE</u>	<u>GEN OBLIGATION BOND</u>	<u>BANCROFT BOND</u>
REVENUES:				
Taxes	\$ 16,935,301	\$ -	\$ 927,772	\$ -
Licenses and Permits	262,289	2,690	-	-
Intergovernmental	1,685,569	397,635	-	-
Charges for Services	831,545	283,067	-	-
Fines and Forfeitures	300,528	-	-	-
Special Assessments	-	-	-	374,550
Interest on Investments	169,881	23,818	52	(264)
Interest on Assessments	-	-	-	68,268
Trust Receipts	-	-	-	-
Contributions	-	-	-	-
Industrial and Other Loans	-	-	-	-
Miscellaneous Revenues	104,169	16,899	-	-
Total Revenues	20,289,282	724,109	927,824	442,554
EXPENDITURES:				
Current:				
Public Safety	14,737,717	-	-	-
Transportation	-	-	-	-
Building	472,525	-	-	-
Parks	1,547,370	-	-	-
Development	1,299,385	-	-	-
General Government	356,372	-	-	20,481
Solid Waste	-	327,254	-	-
Capital Outlay	-	59,132	-	-
Tax Turnover	-	-	-	-
Debt Service	200,076	371,423	919,000	-
Total Expenditures	18,613,445	757,809	919,000	20,481
Excess of Revenues Over, (Under) Expenditures	1,675,837	(33,700)	8,824	422,073
Other Financing Sources, (Uses)				
Sale of Assets	4,968	-	-	-
Loan Proceeds	-	-	-	-
Transfers In	815,027	38,000	-	-
Transfer Out	(35,000)	(62,000)	-	-
Total Other Financing Sources, (Uses)	784,995	(24,000)	-	-
Net Change in Fund Balance	2,460,832	(57,700)	8,824	422,073
Beginning Fund Balance	7,736,946	2,975,454	60,113	(1,782,901)
Ending Fund Balance	\$ 10,197,778	\$ 2,917,754	\$ 68,937	\$ (1,360,828)

The accompanying notes are an integral part of this statement.

CAPITAL PROJECTS

TRANSPORTATION PROJECTS	LAND AND BUILDING PROJECTS	PARKWAY REDEVELOPMENT	TOTAL NON-MAJOR	TOTAL GOVERNMENTAL
\$ -	\$ -	\$ -	\$ 940,765	\$ 18,803,838
-	-	-	9,070	274,049
1,722,748	106,037	251,677	1,569,423	5,733,089
479,142	141,517	-	845,683	2,580,954
-	-	-	-	300,528
-	-	-	-	374,550
129,153	49,290	28,160	28,658	428,748
-	-	-	-	68,268
16,219	-	115,365	-	131,584
1,659	-	-	-	1,659
-	-	-	13,163	13,163
34,104	11,248	5,380	12,035	183,835
<u>2,383,025</u>	<u>308,092</u>	<u>400,582</u>	<u>3,418,797</u>	<u>28,894,265</u>
-	-	-	-	14,737,717
-	-	-	1,545,768	1,545,768
-	-	-	-	472,525
-	-	-	-	1,547,370
-	-	24,742	48,493	1,372,620
-	-	-	-	376,853
-	-	-	-	327,254
3,096,021	1,834,659	-	109	4,989,921
-	-	1,576,784	-	1,576,784
-	-	293,837	-	1,784,336
<u>3,096,021</u>	<u>1,834,659</u>	<u>1,895,363</u>	<u>1,594,370</u>	<u>28,731,148</u>
<u>(712,996)</u>	<u>(1,526,567)</u>	<u>(1,494,781)</u>	<u>1,824,427</u>	<u>163,117</u>
-	-	-	107	5,075
-	-	-	-	-
573,807	183,873	2,541,744	-	4,152,451
-	(50,000)	(2,541,744)	(1,408,707)	(4,097,451)
<u>573,807</u>	<u>133,873</u>	<u>-</u>	<u>(1,408,600)</u>	<u>60,075</u>
(139,189)	(1,392,694)	(1,494,781)	415,827	223,192
<u>8,124,585</u>	<u>4,106,954</u>	<u>2,081,428</u>	<u>2,692,889</u>	<u>25,995,468</u>
<u>\$ 7,985,396</u>	<u>\$ 2,714,260</u>	<u>\$ 586,647</u>	<u>\$ 3,108,716</u>	<u>\$ 26,218,660</u>

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - GOVERNMENTAL FUNDS - TO  
STATEMENT OF ACTIVITIES  
For the Fiscal Year Ended June 30, 2010**

Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balance and the government-wide statement of activities

Excess of Revenues over Expenditures	\$	223,192
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capitalized Expenditures	\$	5,932,483	
Capital Contributions		784,663	
Depreciation Expense		(1,850,586)	
Net Adjustment			4,866,560

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis of accounting, expenses and liabilities are reported regardless of when financial resources are available. This adjustment combines the net changes in liability balances.

Compensated Absences	\$	(190,971)	
GASB45-OPEB		(287,435)	
General Obligation Bond Payments		560,000	
Post Closure Costs		89,960	
Environmental Liability		21,100	
Loan Proceeds			
Notes and Contracts Payable		376,743	
Net Adjustment			569,397

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property Taxes	\$	109,535	
Special Assessments		(374,551)	
Misc Notes and Grants		(679,578)	
Net Adjustment			(944,594)

Internal service funds are used by the City to account for the fleet operations, support services, administrative service and insurance services that are provided to the other departments and agencies on a cost reimbursement basis. The revenues and expenses of the internal service funds are included in governmental activities in the statement of activities.

Internal Service Fund Change in Net Assets		612,591
Change in Net Assets	\$	5,327,146

The accompanying notes are an integral part of this statement.



**WHERE THE ROGUE RIVER RUNS**



© City of Grants Pass

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
JUNE 30, 2010**

	WATER FUND	SEWER FUND	HARBECK- FRUITDALE SEWER SERVICE
ASSETS:			
Current Assets			
Cash and Investments	\$ 2,995,249	\$ 2,840,151	\$ -
Prepaid Items	5,159	443	-
Receivables			
Taxes	1	-	-
Accounts, net	574,482	561,219	-
Notes	40,659	39,688	-
Grants	-	-	-
Accrued Interest	209	1,821	-
Due From Other Funds	-	-	-
Restricted Assets			
Cash and Investments	262,115	51,631	-
Accrued Interest and Accounts Receivable	24,931	24,177	-
Notes	117,909	123,141	-
Total Current Assets	4,020,714	3,642,271	-
Capital Assets			
Capital Assets, Net	51,564,785	34,190,700	-
Total Capital Assets	51,564,785	34,190,700	-
Total assets	<u>\$ 55,585,499</u>	<u>\$ 37,832,971</u>	<u>\$ -</u>
LIABILITIES AND NET ASSETS:			
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 220,132	\$ 229,822	\$ -
Salaries, Withholdings and Taxes Payable	236,936	287,393	-
Accrued Interest Payable	3,093	29,212	-
Bonds, Notes Payable Within One Year	380,000	320,000	-
Due To Other Funds	-	-	-
Deferred Revenue	-	-	-
Liabilities Payable from Restricted Assets			
Accounts Payable	-	-	-
Salaries, withholdings and taxes payable	-	-	-
Customer Deposits	90,970	-	-
Deferred Revenue	-	-	-
Contractor Retainage	-	-	-
Total Current Liabilities	931,131	866,427	-
Long-Term Liabilities			
Notes Payable	-	-	-
General Obligation Revenue Bonds Payable	402,251	4,905,120	-
Total Long-Term Liabilities	402,251	4,905,120	-
Total Liabilities	1,333,382	5,771,547	-
NET ASSETS			
Invested in Capital Assets, net of related debt	50,782,534	28,965,580	-
Unrestricted	3,469,583	3,095,844	-
Total Net Assets	54,252,117	32,061,424	-
Total Liabilities and Net Assets	<u>\$ 55,585,499</u>	<u>\$ 37,832,971</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

REDWOOD SANITARY SEWER SERVICE	TOTAL	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
\$ 1,020,912	\$ 6,856,312	\$ 8,293,860
-	5,602	35,468
-	1	-
125,739	1,261,440	36,950
80,540	160,887	-
-	-	-
639	2,669	-
-	-	146,205
-	313,746	-
-	49,108	-
-	241,050	-
1,227,830	8,890,815	8,512,483
9,087,752	94,843,237	1,806,300
9,087,752	94,843,237	1,806,300
<u>\$ 10,315,582</u>	<u>\$ 103,734,052</u>	<u>\$ 10,318,783</u>

\$ 4,681	\$ 454,635	\$ 228,309
-	524,329	627,112
12,051	44,356	-
380,000	1,080,000	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	90,970	-
-	-	-
-	-	-
396,732	2,194,290	855,421
-	-	-
2,165,633	7,473,004	-
2,165,633	7,473,004	-
2,562,365	9,667,294	855,421
6,542,119	86,290,233	1,806,300
1,211,098	7,776,525	7,657,062
7,753,217	94,066,758	9,463,362
<u>\$ 10,315,582</u>	<u>\$ 103,734,052</u>	<u>\$ 10,318,783</u>

Reconciliation of Net Assets to page 19	
Net Assets p. 29	\$ 94,066,758
Internal Service Fund Net Assets	2,893,681
Total Net Assets p. 19	<u>\$ 96,960,439</u>

**CITY OF GRANTS PASS**  
**JOSEPHINE COUNTY, OREGON**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**  
**PROPRIETARY FUNDS**  
**For the Fiscal Year Ended June 30, 2010**

	WATER FUND	SEWER FUND	HARBECK- FRUITDALE SEWER DISTRICT
OPERATING REVENUES			
Charges for Services	\$ 4,041,855	\$ 4,362,152	\$ -
Special assessments	-	-	(20,624)
Trust receipts	24,337	2,095	-
Miscellaneous	19,105	63,085	-
Total Operating Revenue	4,085,297	4,427,332	(20,624)
OPERATING EXPENSES			
Salaries, Wages, and Benefits	1,247,507	1,352,904	-
Operating Supplies	355,827	379,598	-
Repairs and Maintenance	114,455	94,635	-
Utilities	280,022	376,990	-
Professional Services	243,293	207,264	54
General, Administrative and Engineering	671,508	1,052,529	-
Depreciation and Amortization	981,968	1,161,182	-
Total Operating Expenses	3,894,580	4,625,102	54
Total Operating Income (Loss)	190,717	(197,770)	(20,678)
NONOPERATING INCOME (LOSS)			
Gain (loss) on disposal of capital assets	85	-	-
SDC Receipts	234,671	206,879	-
Intergovernmental	-	311,699	-
Taxes	1	-	-
Refunding Bonds Issued	1,130,000	5,085,000	-
Payment to Refunded Bond Escrow	(1,130,000)	(5,085,000)	-
Interest Income	71,447	39,199	42
Interest Expense	(53,155)	(205,158)	(386)
Total Nonoperating Income (Expense)	253,049	352,619	(344)
Capital Contribution	144,514	111,198	(14,983)
Income (Loss) Before Transfers	588,280	266,047	(36,005)
TRANSFERS			
Transfers In	605,166	987,834	-
Transfers Out	(650,166)	(1,017,834)	-
Total Transfers	(45,000)	(30,000)	-
Change in Net Assets	543,280	236,047	(36,005)
Beginning Net Assets	53,708,837	31,825,377	36,005
Ending Net Assets	\$ 54,252,117	\$ 32,061,424	\$ -

The accompanying notes are an integral part of this statement.

	REDWOOD SANITARY SEWER SERVICE DISTRICT	TOTAL	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
	\$ 998,825	\$ 9,402,832	\$ 7,679,377
	-	(20,624)	-
	-	26,432	-
	-	82,190	38,485
	<u>998,825</u>	<u>9,490,830</u>	<u>7,717,862</u>
	-	2,600,411	3,809,299
	23,533	758,958	347,001
	121,047	330,137	145,501
	24,055	681,067	118,102
	11,932	462,543	657,093
	350,661	2,074,698	1,685,306
	209,356	2,352,506	195,784
	<u>740,584</u>	<u>9,260,320</u>	<u>6,958,086</u>
	<u>258,241</u>	<u>230,510</u>	<u>759,776</u>
	-	85	13,012
	-	441,550	-
	-	311,699	12,946
	-	1	-
	2,600,000	8,815,000	-
	(2,600,000)	(8,815,000)	-
	11,566	122,254	76,682
	(106,693)	(365,392)	-
	<u>(95,127)</u>	<u>510,197</u>	<u>102,640</u>
	-	240,729	-
	<u>163,114</u>	<u>981,436</u>	<u>862,416</u>
	30,000	1,623,000	30,000
	<u>(30,000)</u>	<u>(1,698,000)</u>	<u>(10,000)</u>
	-	(75,000)	20,000
	163,114	906,436	882,416
	<u>7,590,103</u>	<u>93,160,322</u>	<u>8,580,946</u>
	<u>\$ 7,753,217</u>	<u>\$ 94,066,758</u>	<u>\$ 9,463,362</u>
Change in Net Assets			\$ 906,436
Internal Service Fund Change in Net Assets			<u>269,825</u>
Total Business Type Change in Net Assets			<u>\$ 1,176,261</u>

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
For the Fiscal Year Ended June 30, 2010**

	WATER FUND	SEWER FUND	HARBECK- FRUITDALE SEWER DISTRICT
Cash Flows From Operating Activities:			
Cash Received from Customers	\$ 4,132,322	\$ 4,381,837	\$ (20,585)
Cash Paid to Suppliers	(1,631,470)	(1,986,829)	(55)
Cash Paid to Employees	(1,226,749)	(1,327,647)	-
Net cash provided (used) by operating activities	<u>1,274,103</u>	<u>1,067,361</u>	<u>(20,640)</u>
Cash Flows From Noncapital Financing Activities			
Transfers In	605,166	987,834	-
Transfers Out	(650,166)	(1,017,834)	-
Intergovernmental and Taxes	1	311,699	-
SDC Receipts	234,671	206,879	-
Decrease (Increase) in Notes Receivable	28,932	(12,170)	24,732
Net cash provided (used) by noncapital financing activities	<u>218,604</u>	<u>476,408</u>	<u>24,732</u>
Cash Flows From Capital and Related Financing Activities			
Proceeds from Issuance of Debt	-		-
Principal Payments on Notes, Net of Refunding Proceeds	-	(529,840)	-
Principal Payments on Bonds	(745,541)	(150,000)	-
Interest Paid on Bonds and Contracts	(53,155)	(205,158)	(386)
Acquisition and Construction of Capital Assets	(1,286,630)	(705,038)	-
Acquisition of Harbeck-Fruitdale District Assets	-	5,839	(5,839)
Disposition of Property	85	-	-
Net cash provided (used) by capital financing activities	<u>(2,085,241)</u>	<u>(1,584,197)</u>	<u>(6,225)</u>
Cash flows from investing activities			
Interest on Investments	71,447	39,199	42
Net increase (decrease) in cash and investments	(521,087)	(1,229)	(2,091)
Cash and investments, beginning of year	<u>\$ 3,778,451</u>	<u>\$ 2,893,011</u>	<u>\$ 2,091</u>
Cash and investments, end of year	<u><u>\$ 3,257,364</u></u>	<u><u>\$ 2,891,782</u></u>	<u><u>\$ -</u></u>
Composition of cash and investments, end of year			
Current cash and investments	\$ 2,995,249	\$ 2,840,151	\$ -
Restricted cash and investments	<u>262,115</u>	<u>51,631</u>	<u>-</u>
Total cash and investments	<u><u>\$ 3,257,364</u></u>	<u><u>\$ 2,891,782</u></u>	<u><u>\$ -</u></u>
Noncash Capital Transactions			
Developer Installed Public Utility Improvements	\$ 144,514	\$ 96,214	\$ -
Refunded Bonds	<u>1,130,000</u>	<u>5,085,000</u>	<u>-</u>
Reconciliation of Operating Income to			
Net Cash Provided by Operating Activities			
Operating Income	\$ 190,717	\$ (197,770)	\$ (20,678)
Depreciation and Amortization	981,968	1,161,182	-
(Increase) Decrease in Receivables/Prepays	47,025	(45,495)	39
Increase (Decrease) in Payables	33,635	124,187	(1)
Increase (Decrease) in Deferred Revenue	-	-	-
Increase (Decrease) in Payroll Liabilities	<u>20,758</u>	<u>25,257</u>	<u>-</u>
Net Cash Provided by Operating Activities	<u><u>\$ 1,274,103</u></u>	<u><u>\$ 1,067,361</u></u>	<u><u>\$ (20,640)</u></u>

The accompanying notes are an integral part of this statement.

REDWOOD SANITARY SEWER SERVICE	TOTAL	INTERNAL SERVICE FUNDS
\$ 981,233	\$ 9,474,807	\$ 7,774,478
(563,513)	(4,181,867)	(3,123,813)
-	(2,554,396)	(3,980,345)
417,720	2,738,544	670,320
30,000	1,623,000	30,000
(30,000)	(1,698,000)	(10,000)
-	-	25,958
-	441,550	-
-	41,494	-
-	408,044	45,958
-	-	-
(544,983)	(1,074,823)	-
(185,000)	(1,080,541)	-
(106,693)	(365,392)	-
-	(1,991,668)	(2,660)
-	-	-
-	85	-
(836,676)	(4,512,339)	(2,660)
11,566	122,254	76,682
(407,390)	(931,797)	790,300
\$ 1,428,302	\$ 8,101,855	\$ 7,503,560
\$ 1,020,912	\$ 7,170,058	\$ 8,293,860
\$ 1,020,912	\$ 6,856,312	\$ 8,293,860
-	313,746	-
\$ 1,020,912	\$ 7,170,058	\$ 8,293,860
\$ -	\$ 240,728	\$ -
2,600,000	8,815,000	-
\$ 258,241	\$ 230,510	\$ 759,776
209,356	2,352,506	195,784
(17,592)	(16,023)	56,616
(32,285)	125,536	(170,810)
-	-	-
-	46,015	(171,046)
\$ 417,720	\$ 2,738,544	\$ 670,320

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**STATEMENT OF FIDUCIARY NET ASSETS  
JUNE 30, 2010**

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AGENCY FUND

**ASSETS:**

Cash and Investments	\$ 3,577,297
Receivables:	
Accounts, net	<u>                    </u>
Total assets	<u><u>\$ 3,577,297</u></u>

**LIABILITIES**

Liabilities:	
Accounts payable	\$ 126,295
Building Permit Suspense	17,720
Contractor Escrow Payable	-
Miscellaneous Trust Liabilities	3,425,457
Water Deposits	-
Deposit Suspense	<u>7,825</u>
Total liabilities	<u><u>\$ 3,577,297</u></u>

The accompanying notes are an integral part of this statement.



**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the City of Grants Pass, Oregon, have been prepared in conformity with accounting principles generally accepted in the United State of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

**THE FINANCIAL REPORTING ENTITY**

The City of Grants Pass is a municipal corporation governed by an elected mayor and eight-member council. As required by accounting principles generally accepted in the United States of America, these financial statements present the City and its component units, entities for which the City is considered to be financially accountable, as defined under GASB Statement 39. Blended component units, although legally separate entities are, in substance, part of the City's operations and so data from these units are combined with data of the City. As of June 30, 2010, the City had three blended component units requiring disclosure. The blended component units have a June 30 year end. There is one discretely presented component unit.

The City reports the following blended component units:

Parkway Redevelopment Agency ("The Agency") – The Agency is governed by a board comprised of the City Council and the Mayor of Grants Pass.

Harbeck-Fruitdale Sewer District ("The District") – The District is governed by a board comprised of the City Council and the Mayor of Grants Pass.

Redwood Sanitary Sewer Service District ("The Service District") – The Service District is governed by a board comprised of the City Council and the Mayor of Grants Pass.

The City reports the following discretely presented component unit:

Josephine County-City of Grants Pass Solid Waste Agency ("The Solid Waste Agency") – The Solid Waste Agency is governed by a board comprised of representatives of each government, not more than one of which shall be an elected member of each governing board. The City appoints 3 of the 6 board members and the City has managerial responsibilities. By agreement, the City has managing jurisdiction and shall report the Agency as a component unit for audit and budgetary purposes.

Complete financial statements for each of these component units may be obtained at the City's Administrative offices located at the following address:

City of Grants Pass  
101 N.W. "A" Street  
Grants Pass, Oregon 97526

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

The government-wide financial statements (i.e. the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and the fiduciary fund, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be measurable to accrue as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The government reports the following major governmental funds:

General Fund - This fund accounts for all financial resources and expenditures of the City, except those required to be accounted for in another fund. The principal revenue source is property taxes.

Solid Waste Fund – This fund accounts for the municipal portions of franchise management for the two solid waste franchises in the City. The principal revenue is charges for services.

Bancroft Bond Fund – This fund accounts for funds received from property owners to satisfy assessments against their property.

Transportation Projects Fund – This fund accounts for well-maintained street and drainage systems in addition to new street and sidewalk construction and major maintenance such as street overlays and seals. The principal revenue sources are utility fees, gas tax, and system development charges.

Land and Building Projects Fund – This fund accounts for the purchase of property, construction of buildings and major repair and replacement projects for the City's park land and facilities. The principal revenue sources are intergovernmental revenue, general obligation bonds and system development charges.

Parkway Redevelopment Agency Fund – This fund accounts for the general administration of the Agency and for the acquisition and rehabilitation of blighted and deteriorated areas within the designated urban renewal areas. The primary funding source is property tax revenue and proceeds from the issuance of bonds.

The government reports the following major proprietary funds:

Sewer Fund – This fund accounts for the operations of the Sewer Fund which is financed primarily through user charges to the general public.

Water Fund - This fund accounts for the revenues and expenses of the City's water utility. The primary revenue source is fees for service.

Harbeck-Fruitdale Sewer District - This fund accounts for sanitation services to properties within the boundaries of the District. The principal revenue source is assessments.

Redwood Sanitary Sewer Service District - This fund accounts for sanitation infrastructure to properties within the boundaries of the District. The principal revenue source is user charges.

Additionally, the government reports the following funds:

Internal Service Funds - The internal service funds account for the fleet operations, support services, administrative services and insurance services that are provided to the other departments and agencies on a cost reimbursement basis.

Fiduciary Fund (Agency Fund) – This fund accounts for the City's monies held for others and the City's role is purely custodial. This includes pass-through grants, deposits, donations for organizations and funds collected for other governments.

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided and 2) operating grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds, and of the City's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for the same purpose, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

**BUDGETS**

The City, the Agency, the District, the Service District and the Solid Waste Agency budget all funds as required by Oregon State Budget Law. The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. Levels of control established by the resolution for the General, Capital Projects, Proprietary and Internal Service Funds are by department, function or program. The levels of control established by the resolution for the Solid Waste Fund are field operations, general program operations, capital projects and other expenditures. Expenditure budgets are appropriated at the following object levels for each of the remaining funds, personal services, materials and services, capital outlay, interfund transactions, debt service and operating contingency.

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Unexpected additional resources or appropriations may be added to the budget through the use of a supplemental budget. Original and supplemental budgets require hearings before the public, publications in newspapers, and approval by the City Council. Original and supplemental budgets may be modified by the use of appropriation transfers between the levels of control. Such transfers require approval by passing a Council resolution or ordinance authorizing the transfer. All budget amendments are subject to the limitations put forth in the Oregon Revised Statutes, Chapters 294.305 through 294.565 (Oregon Budget Law). Supplemental appropriations, permitted by Oregon Budget Law, were authorized by the City Council during the fiscal year.

Budget amounts presented herein are as originally adopted or as amended by the City Council. There were three supplemental budgets and several transfers of appropriations. Budget appropriations lapse at year end.

The City, the Agency, the District, the Service District and the Solid Waste Agency budgets are on the modified accrual basis of accounting. Budgeted intergovernmental revenues between the Agency, the District and the City are accounted for as transfers on a GAAP basis.

The City also utilized encumbrances as a method of controlling budgeted appropriations and line item budget control. Encumbrances, which are purchase commitments to acquire goods or services yet to be received, are recognized as charges against budgeted appropriations during the year. At year end, any outstanding encumbrances are canceled and the charges against budgeted appropriations for these encumbrances are reversed. Encumbrances are not recognized as expenditures for budgetary or generally accepted accounting principles purposes in these basic financial statements.

Expenditures of the various funds were within authorized appropriations for the year ended June 30, 2010.

**ESTIMATES**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY**

**Cash and Investments**

The City maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the balance sheet as "cash and investments."

**Receivables and Payables**

Activity between funds that are representative of lending and borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to \ from other funds.". Any residual balances outstanding between the governmental and business-type activities are reported in the government-wide financial statements as "internal balances."

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not expendable available financial resources.

Property taxes are levied as of July 1 on property assessed as of January 1<sup>st</sup>. The tax levy is due November 15, with an optional payment method of 1/3 due November 15, 1/3 due January 15, and 1/3 due March 15. Taxes paid in full before November 15 are provided a 3 percent discount. The billings are considered delinquent after the appropriate due date, at which time the applicable property is subject to lien, and penalties and interest are assessed.

Notes and contracts receivable are recorded at par. Interest assessed is recorded as revenue when the payment becomes due.

Receivables for federal and state grants, and state, county and local shared revenue are recorded as revenue in all funds as earned. The receivables for state, county and local shared revenue are recorded in accounts receivable.

Investment earnings (e.g., accrued interest receivable) are recorded as revenue in all fund types as earned on investments.

**Restricted Assets**

Certain assets in various governmental funds are classified as restricted assets because their use is completely restricted for the repayment of outstanding bonds, system expansion, construction projects or other legal requirements.

**Capital assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized when projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Depreciation is calculated using the straight line method. The estimated useful lives of capital assets are as follows:

Buildings	20-50 years
Supply and distribution systems, including utility plant	20-75 years
Equipment	5-20 years

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Capitalized Interest**

Interest is capitalized on capital assets acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period. For the year ended June 30, 2010, no interest was capitalized on capital assets.

**Grants**

Unreimbursed expenditures due from grantor agencies are reflected in the basic financial statements as receivables and revenues. Grant revenues are recorded at the time eligible expenditures are incurred. Cash received from grantor agencies in excess of related grant expenditures is recorded as a liability in the balance sheet and statement of net assets.

**Compensated absences**

It is the government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. The City has a policy to pay a percentage of unpaid sick leave upon retirement or termination of employment in good standing, only after 10 years of continuous service by the employee. All vacation and sick pay is accrued when incurred in the government-wide, and proprietary financial statements. A liability for these amounts is not reported in governmental funds in accordance with Governmental Accounting Standards Board Statement No. 16 Accounting for Compensated Absences, unless the compensated absences have matured (due to resignation or retirement).

**Long-term obligations**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**Workers' Compensation Insurance**

The City is self-insured for workers' compensation. Premiums are paid to the Insurance Service Fund from operating divisions and are available to pay claims, claims reserves and administrative costs of the program. Estimated claims of \$39,480 have been accrued as a liability of the fund and are included in accounts payable.

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Fund equity/Net assets**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Net assets comprise the various net earnings from operations, nonoperating revenues, expenses and contributions of capital. Net assets are classified in the following three categories.

Invested in capital assets, net of related debt – consists of all capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – consists of external constraints placed on net asset use by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted net assets – consists of all other net assets that are not included in the other categories previously mentioned.

**Reservations of Net Assets and Fund Balances**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

**Statement of Cash Flows**

For purposes of the statement of cash flows, the proprietary fund types deposit monies into a common cash and investment pool of the City. The funds use this pool as a demand deposit account and, accordingly, all amounts in the pool are considered cash and cash equivalents. Cash and cash equivalents include investments with an original maturity date of three months or less at date of purchase. In addition, all unrestricted cash and cash equivalents and restricted cash and cash equivalents are grouped together for purposes of the statement of cash flows.



**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**2. CASH AND INVESTMENTS**

Cash and Investments at June 30, 2010 (recorded at fair value) consisted of:

Deposits with Financial Institutions:

Petty Cash	\$	1,300
Demand Deposits		29,072,452
Investments		17,370,482
Total	\$	<u>46,444,234</u>
-		
Unrestricted	\$	38,647,584
Restricted		2,944,755
Fiduciary Fund		3,577,297
Component Unit		1,274,598
Total	\$	<u>46,444,234</u>

**INVESTMENTS**

No more than the stated percentage of the overall portfolio will be invested in each of the following categories of securities:

U.S. Treasury Obligations	85%
Local Government Investment Pool	75%
Certificates of Deposit (CD)	50%
Bankers' Acceptances (BA's)	25%
Repurchase Transactions	25%
US Agency Notes	75%
A1/P1 Rated Commercial Paper	25%

There were no known violations of legal or contractual provisions for investments.

As of June 30, 2010, the City had the following investments and maturities.

Investment Type	Fair Value	Investment Maturities (in months)		
		Less than 3	3-17	18-59
US Government Securities	\$ 10,566,586	-	3,509,085	7,057,501
State Treasurer's investment pool	6,803,897	6,803,897	-	-
Total	<u>\$ 17,370,483</u>	<u>6,803,897</u>	<u>3,509,085</u>	<u>7,057,501</u>

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

---

**2. CASH AND INVESTMENTS**

Investments are valued at fair value as required by GASB 31. Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized. As of June 30, 2010 the fair value of the position in the LGIP is 99.56% of the value of the pool shares as reported in the Oregon Short Term Fund audited financial statements. There were no known violations of legal or contractual provisions for deposits and investments during the fiscal year.

The Oregon State Treasury administers the LGIP. It is an open-ended no-load diversified portfolio offered to any agency, political subdivision or public corporation of the State that by law is made the custodian of, or has control of, any fund. The LGIP is commingled with the State's short-term funds. In seeking to best serve local governments of Oregon, the Oregon legislature established the Oregon Short-Term Fund Board. The purpose of the Board is to advise the Oregon State Treasury in the management and investment options of the LGIP. The fund is not registered with the U.S. Securities and Exchange Commission as an investment company. The State's investment policies are governed by Oregon Revised Statutes and the Oregon Investment Council (Council). The State Treasurer is the investment officer for the Council and is responsible for all funds entrusted to the Office of the State Treasurer.

**Interest Rate Risk**

In general, the City's portfolio shall be managed by purchasing securities and holding them until their specified maturity date. However, under certain market conditions, when it becomes advantageous, the Investment Officer may sell securities prior to their maturity date and reinvest the proceeds in higher yielding instruments.

Oregon Revised Statutes require investments to not exceed a maturity of 18 months, except when the local government has adopted a written investment policy that was submitted to and reviewed by the Oregon Short-Term Fund Board (OSTFB). The City's policy is that 100% of all operating funds shall mature within 36 months and the policy has been reviewed by the OSTFB.

The City limits investment maturities as follows for operating funds:

Within one business day	15% minimum
Under 180 days	50% minimum
Under 360 days	75% minimum

To the extent possible, the City of Grants Pass shall attempt to match its investments with anticipated future cash flow requirements. The maximum maturity shall be the anticipated use of the cash or 36 months, whichever is shorter, unless:

- The funds are being accumulated for a specific purpose, including future construction projects, and upon approval of the Council, the maximum maturity date matches the anticipated use of the funds (ORS 294.135).
- If this investment policy has been submitted for review by the Oregon Short-Term Fund (OSTF) Board and in accordance with ORS 294.135(1)(a), debt service reserves may be invested to a maturity date not exceeding five years.

**Credit Risk**

Neither the Oregon Revised Statutes nor the City's investment policy limits investments as to credit rating for securities purchased from U.S. Government Agencies. The City's investments in U.S. Government Agencies were rated AAA by Standard & Poor's and Aaa by Moody's Investor Service. The State Pool is unrated.

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

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**2. CASH AND INVESTMENTS**

Oregon Revised Statutes require bankers' acceptances to be guaranteed by and carried on the books of, a qualified financial institution, eligible for discount by Federal Reserve System, and issued by a qualified financial institution whose short-term letter of credit rating is rated in the highest category by one or more nationally recognized statistical rating organizations.

Deposits consist of bank demand deposits. The carrying amount of deposits is \$28,137,997. The total bank balance per the bank statements is \$29,155,573. Of these deposits, \$2,260,849 is covered by federal depository insurance and the remainder is collateralized by the Oregon Public Funds Collateralization Program (PFCP). Oregon Revised Statutes and City Policy require depository institutions to maintain on deposit, with the collateral pool manager, securities having a value not less than 10% of their quarter-end public fund deposits if they are well capitalized, 25% of their quarter-end public fund deposits if they are adequately capitalized, or 110% of their quarter-end public fund deposits if they are undercapitalized or assigned to pledge 110% by the Office of the State Treasurer.

**Concentration of Credit Risk**

To avoid incurring unreasonable risks inherent to over-investing in specific instruments or in individual financial institutions, the City's investment policy sets maximum limits on the percentage of the portfolio that can be invested in any one type of security. At June 30, 2010 the City was in compliance with all percentage restrictions.

Oregon Revised Statutes require no more than 25 percent of the moneys of local government to be invested in bankers' acceptances of any qualified financial institution. Amounts in the State Treasurer's Local Government Investment Pool are not required by law to be collateralized.

**3. ASSESSMENTS RECEIVABLE**

Assessments receivable represent the uncollected amounts levied against benefited properties for the costs of local improvements. Since the assessments are liens against the properties, an allowance for uncollectible amounts is not deemed necessary. Assessments are generally payable over a period of ten to twenty years and bear interest at 7% to 10.64%. At June 30, 2010, the City's delinquent assessments receivable totaled \$61,862.

**4. NOTES AND CONTRACTS RECEIVABLE**

Notes and Contracts Receivable consisted of the following at June 30, 2010:

CDBG - HUD Loans Receivable	\$ 175,451
Other Notes Receivable	1,064,981
	<hr/>
	\$ 1,240,432
	<hr/>

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**5. CAPITAL ASSETS**

The changes in capital assets for the fiscal year ended June 30, 2010 are as follows:

	<u>GOVERNMENTAL ACTIVITIES CAPITAL ASSETS</u>			
	<u>June 30, 2009</u>	<u>Additions</u>	<u>Disposals</u>	<u>June 30, 2010</u>
Capital Assets, not being depreciated				
Land	\$ 62,754,276	\$ 313,965	\$ -	\$ 63,068,241
Construction in Progress	17,194,884	3,236,737	13,597,169	6,834,452
Total, not being depreciated	<u>79,949,160</u>	<u>3,550,702</u>	<u>13,597,169</u>	<u>69,902,693</u>
Buildings	4,582,759	6,082,270		10,665,029
Improvements	7,452,714	1,452,936	-	8,905,650
Machinery & Equipment	5,813,561	2,939,009	1,263,088	7,489,482
Infrastructure	68,786,272	7,555,140	-	76,341,412
Total, being depreciated	<u>86,635,306</u>	<u>18,029,355</u>	<u>1,263,088</u>	<u>103,401,573</u>
Less Accumulated Depreciation				
Buildings	2,350,975	199,182	-	2,550,157
Improvements	3,244,804	315,155	-	3,559,959
Machinery & Equipment	3,648,048	529,238	168,826	4,008,460
Infrastructure	13,976,664	1,196,618	25,000	15,148,282
Total Accumulated Depreciation	<u>23,220,491</u>	<u>2,240,193</u>	<u>193,826</u>	<u>25,266,858</u>
Total Capital Assets being Depreciated, net	<u>63,414,815</u>	<u>15,789,162</u>	<u>1,069,262</u>	<u>78,134,715</u>
Governmental Activities Capital Assets, net	<u>\$ 143,363,975</u>	<u>\$ 19,339,864</u>	<u>\$ 14,666,431</u>	<u>\$ 148,037,408</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

	<u>Governmental Funds</u>
Transportation	\$ 169,912
Parks	170,088
Public Safety	1,619,978
General Government	41,424
Development	150,879
Building	51,940
Solid Waste	35,972
	<u>\$ 2,240,193</u>

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**5. CAPITAL ASSETS**

	<b>BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS</b>			
	<u>June 30, 2009</u>	<u>Additions</u>	<u>Disposals</u>	<u>June 30, 2010</u>
Capital Assets, not being depreciated				
Land	\$ 853,812	\$ -	\$ -	\$ 853,812
Construction in Progress	1,617,984	1,427,214	581,870	2,463,328
Total, not being depreciated	2,471,796	1,427,214	581,870	3,317,140
Buildings	6,486,852	-	-	6,486,852
Improvements	1,798,082	25,029	-	1,823,111
Machinery & Equipment	12,946,019	-	-	12,946,019
Infrastructure	104,229,453	1,458,320	96,300	105,591,473
Total, being depreciated	125,460,406	1,483,349	96,300	126,847,455
Less Accumulated Depreciation				
Buildings	2,082,677	167,121	-	2,249,798
Improvements	811,617	81,246	-	892,863
Machinery & Equipment	3,561,377	547,305	-	4,108,682
Infrastructure	26,489,939	1,610,839	30,763	28,070,015
Total Accumulated Depreciation	32,945,610	2,406,511	30,763	35,321,358
Total Capital Assets being Depreciated, net	92,514,796	(923,162)	65,537	91,526,097
Business-Type Activities Capital Assets, net	<u>\$ 94,986,592</u>	<u>\$ 504,052</u>	<u>\$ 647,407</u>	<u>\$ 94,843,237</u>

**6. INTERFUND RECEIVABLE/ PAYABLE AND TRANSFERS**

The composition of interfund balances as of June 30, 2010, are as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 1,830,000	\$ -
Solid Waste Fund	1,540,000	-
Parkway Redevelopment	-	250,000
Bancroft Bond Fund	-	1,540,000
Land and Building Projects	-	1,580,000
Nonmajor governmental Funds	-	146,205
Internal Service Funds	146,205	-
Total Funds	<u>\$ 3,516,205</u>	<u>\$ 3,516,205</u>

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**6. INTERFUND RECEIVABLE/ PAYABLE AND TRANSFERS**

In FY'07, the City used an interfund loan from the General fund to purchase property for future park use. This loan is to be paid back through the sale of City owned property held in the Lands and Building Fund, of which \$870,000 was paid back during FY'08 after a property sale and another \$50,000 in FY'10. The Bancroft Bond Fund has made internal borrowings totaling \$1,540,000 from the Solid Waste Capital Projects Fund for local improvement projects. The variation in the individual project costs subject to bonding together with timing elements made internal borrowing more cost effective then public financing. The repayment of the Bancroft Bond Fund borrowing will depend on the amounts and timing of payments made on assessment loans owed to the Fund. During FY'09, the Parkway Redevelopment Agency borrowed \$2,700,000 from a combination of the General Fund and the Transportation Capital Project Fund in order to complete the remaining projects in the Agency's 20-year voter approved plan. During FY'10 the final \$91,000 was paid back to the Transpiration Projects Fund and \$2.3 million was repaid to the General Fund leaving a balance of \$250,000 due. This loan is expected to be paid back to the City based on the progress of the Agency's remaining capital projects and will be fully paid back no later than three years from the date of the loan.

	<b><u>Transfers In</u></b>	<b><u>Transfers Out</u></b>
General Fund	\$ 871,263	1,134,000
Solid Waste Fund	-	24,000
Bancroft Bond Fund	-	1,262,136
Transportation Capital Projects	2,567,906	-
Lands & Buildings Capital Projects	420,553	25,000
Parkway Redevelopment	4,129,862	4,129,862
Water Fund	314,557	723,725
Sewer Fund	880,949	896,664
Redwood Sanitary Sewer Fund	10,000	10,000
Nonmajor governmental Funds	313,000	1,418,173
Internal Service Funds	138,000	22,530
Total Funds	<u>\$ 9,646,090</u>	<u>\$ 9,646,090</u>

The allocation of Transient Room Tax receipts, a special revenue fund, to general governmental operating activities accounts for most of the monies transferred into the General Fund. The largest segments of General Fund transfers out represent funding of \$30,000 appropriated for Lands & Building Capital Projects while \$5,000 was transferred internally from planning to public safety. General Fund also received \$24,000 from the Solid Waste Fund for Code Enforcement trash clean-up. Transportation Projects received \$445,065 from Street Utility fees and the State Gas Tax Fund, \$45,000 from Lands & Buildings, and \$45,000 from the Water Fund. In addition to the transfer indicated above from the General Fund, Lands & Building Capital Projects received \$143,873 from Transient Room Tax and \$10,000 from the Property Management Fund, all appropriated as resources to a variety of projects. Equipment Replacement, an Internal Service Fund, received \$30,000 from the Sewer Fund for future vehicle purchases. The Parkway Redevelopment transfers in and out were all within the Redevelopment Agency's funds and were transfers to and from the debt service, debt reserve, and operational funds in order to accommodate the debt terms of the new loan from the City of Grants Pass and the new debt reserve requirements. The Sewer, Water, and Solid Waste Funds also had internal transfers primarily related to various capital projects.

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**7. LONG-TERM DEBT**

Bonds outstanding consist of Public Safety General Obligation Bonds and Water Revenue Bonds. The Public Safety Bonds were issued June 20, 2007, at the original amount of \$9,820,000. In 2009-10 the City issued refunding bonds, to fully refund their 1998 Water Revenue Bonds and two Oregon DEQ loans. The total amount of the 2009 refunding were \$8,815,000. The refunding bonds resulted in a net present value savings of \$731,273.

<b>GOVERNMENTAL ACTIVITIES</b>			<b>BUSINESS-TYPE ACTIVITIES</b>	
<b>YEAR</b>	<b>PRINCIPAL</b>	<b>INTEREST</b>	<b>PRINCIPAL</b>	<b>INTEREST</b>
2010-2011	\$ 630,000	\$ 336,600	1,080,000	275,313
2011-2012	685,000	311,400	1,095,000	242,913
2012-2013	740,000	284,000	725,000	218,513
2013-2014	800,000	254,400	745,000	196,763
2014-2015	865,000	222,400	775,000	166,963
2016-2021	4,210,000	466,900	2,795,000	569,565
2021-2026	-	-	905,000	54,600
Premium/Discount			433,004	
	<b><u>\$ 7,930,000</u></b>	<b><u>\$ 1,875,700</u></b>	<b><u>\$ 8,553,004</u></b>	<b><u>\$ 1,724,630</u></b>

<b>Purpose</b>	<b>Interest Rates</b>	<b>Amount</b>
Governmental General Obligation Bonds	2-4%	7,930,000
Business-Type Full Faith & Credit Bonds	2.0-4.0%	8,553,004

**Unbonded Long-Term Debt**

Contracts payable in the Governmental funds consist of installment contracts related to property purchased by the City. The contracts mature at various dates through 2029.

Notes and contracts payable consist of the following:

<b>Purpose</b>	<b>Interest Rates</b>	<b>Amount</b>
Governmental Contracts Payable	4.99-6%	\$ 90,000
		<b><u>\$ 90,000</u></b>

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**7. LONG-TERM DEBT**

Future maturities of principal and interest on notes and contracts payable are as follows:

**NOTES & CONTRACTS PAYABLE  
GOVERNMENTAL ACTIVITIES**

YEAR	PRINCIPAL	INTEREST
2010-2011	22,500	4,050
2011-2012	22,500	3,038
2012-2013	22,500	2,025
2013-2014	22,500	1,013
2014-2015	-	-
2015-2020	-	-
2020-2025	-	-
	<u>\$ 90,000</u>	<u>\$ 10,126</u>

Long-Term Debt activity for the year ended June 30, 2010, is as follows:

**CHANGES IN LONG-TERM DEBT**

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
General Obligation Bonds Payable	\$ 8,490,000	\$ -	\$ 560,000	\$ 7,930,000	\$ 630,000
Post-Closure Care Costs	2,595,158	-	339,960	2,255,198	-
River Road Liability	250,000	-	21,100	228,900	-
Notes and Contracts Payable	662,803	-	572,803	90,000	22,500
Governmental activities					
Long-Term Debt	<u>\$ 13,375,100</u>	<u>\$ -</u>	<u>\$ 1,493,863</u>	<u>\$ 10,504,098</u>	<u>\$ 652,500</u>
Business-type Activities:					
Revenue Bonds Payable	\$ 1,540,000	\$ -	\$ 1,540,000	\$ -	\$ -
Full Faith & Credit Bonds Payable	-	8,815,000	695,000	8,120,000	1,080,000
Less Unamortized Discount/Premium	(9,758)	442,762	-	433,004	-
Notes and Contracts Payable	9,258,169	-	9,258,169	-	-
Business-type Activities					
Long-Term Debt	<u>\$ 10,788,411</u>	<u>\$ 9,257,762</u>	<u>\$ 11,493,169</u>	<u>\$ 8,553,004</u>	<u>\$ 1,080,000</u>



**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

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**8. RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. The City purchases commercial insurance for general, auto and property liability. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. The Insurance Services Fund is responsible for collecting interfund premiums from other City funds and departments, paying claim settlements and purchasing other specified insurance policies. Interfund premiums are based on the insured funds' claims experiences and exposure (number of staff/payroll).

The City is self-insured for workers' compensation claims. The activities of the workers' compensation program are accounted for in the Insurance Services Fund. The City carries stop-loss coverage for amounts over \$400,000, to a maximum of \$1,000,000. The City estimates losses based on actual claims and accident history. The claims liability of \$39,480 reported in the Insurance Services Fund at June 30, 2010 is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of that loss can be reasonably estimated. The \$39,480 is considered to be due within the next year and is classified as such on the Statement of Net Assets.

Year Ending June 30,	Beginning of Year	Changes in Estimates	Payments of Claims	End of year
2010	75,823	(5,059)	31,284	39,480
2009	116,841	9,358	50,376	75,823
2008	56,715	118,173	58,047	116,841

**9. STATEWIDE LOCAL GOVERNMENT RETIREMENT SYSTEM**

Plan Description – Substantially all City employees are participants in the State of Oregon Public Employees Retirement System (OPERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for government units in the State of Oregon. Benefits generally vest after five years of continuous service. Retirement is allowed at age 58 with unreduced benefits, but retirement is generally available after age 55 with reduced benefits. Compulsory retirement age is 70. Retirement benefits are payable in lump sum or monthly amounts using several payment options. OPERS also provides death and disability benefits. These benefit provisions and other requirements are established by Oregon Revised Statutes, Chapter 238. OPERS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information. The stand-alone report may be obtained by writing to Oregon Public Employees Retirement System, P.O. Box 23700, Tigard, Oregon 97281-3700.

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

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**9. STATEWIDE LOCAL GOVERNMENT RETIREMENT SYSTEM**

Funding Policy – Plan members are required to contribute 6% of their annual covered salary. The City is required by ORS 238.225 to contribute at an actuarially determined rate; the rate effective July 1, 2009 is 13.25% of salary covered under the plan for Tier 1 and Tier 2 employees and 8.04% and 11.65% for employees covered under the Oregon Public Services Retirement Plan (OPSRP). The contribution requirement of plan members and their employers are established under ORS Chapter 238, and may be amended by an act of the Oregon legislature.

Annual Pension Cost – For the fiscal years ending June 30, 2010, 2009, and 2008, the City's annual pension cost of \$1,644,586, 1,819,235 and \$1,644,586, respectively, was equal to the City's required and actual contributions. The required contributions and liabilities were determined as part of the December 31, 2009 actuarial valuation using the entry age actuarial cost method. Because all OPERS employers are required by law to submit the contributions adopted by the Retirement Board, and the employer contributions are calculated in conformance with the standards of Statement No. 27, there is no net pension obligation. The contributions actually made are equivalent to the annual pension cost. Significant actuarial assumptions used in the valuation include (a) a rate of return of 8.0% per year, net of investment and administrative expenses (assumed earnings rate for purposes of Tier One guaranteed interest credit); (b) wage growth of 4.25% per year, excluding merit or longevity increases; (c) projected post-retirement benefit increases of 2.0% per year; (d) demographic assumptions that have been chosen to reflect the best estimate of emerging experience of the members of OPERS; (e) consumer price inflation of 3.5% per year; and (f) future interest credits of 8.5% for Tier One and 8.0% for Tier Two. Unfunded actuarial liability is amortized as a level percentage of covered payroll over a thirty-year period on an open basis.

GASB Statement No. 27 disclosures are based on the actuarial assumptions and methods contained in the December 31, 2009 Actuarial Valuation of the PERS plan. The Actuarial Value of Assets is equal to Market Value. Liabilities and contributions are calculated using the Entry Age Actuarial Cost Method. The Unfunded Actuarial Liability is amortized as a level percentage of covered payroll over an open thirty year period.

**Schedule of Funding Progress**

Valuation Date	AVA	AAL	UAAL	Funded Percent	Covered Payroll	UAAL/ Payroll
12/31/2005	44,007,862	50,076,056	(6,068,194)	88%	9,637,834	63%
12/31/2007	52,711,473	54,238,486	(1,527,013)	97%	11,433,157	13%
12/31/2009	45,516,785	58,455,182	(12,938,397)	78%	11,981,543	108%

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

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**10. DEFERRED COMPENSATION**

The City offers its employees optional deferred compensation plans created in accordance with Internal Revenue Code Section 457. The plans, available to all City employees, permit them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or an unforeseeable emergency. All amounts of compensation deferred under the plans, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are (until paid or made available to the employee or other beneficiary) held in trust for the exclusive benefit of participants and their beneficiaries. Monies accumulated by the City under its deferred compensation plans have been deposited with various financial institutions. The City has adopted GASB Statement 32, Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans. The City has little administrative involvement and does not perform the investing functions for this plan, therefore, this plan is not shown in the City's financial statements.

**11. OTHER POSTRETIREMENT BENEFITS**

**Plan Description**

Explicit Employer Benefits – The City provides postretirement health care benefits, as per labor contracts and the Personnel Rules and Regulations, for retirees. The benefit varies depending upon date of employment. The City pays 92.5 percent of the medical insurance premium for four years following the retirement of an employee, or until the employee dies, reaches age 65, or enters employment where insurance is provided. The employee must be eligible and receiving Oregon Public Employees Retirement Systems (OPERS) benefits. Employees hired after January 1, 2001 and covered under the Grants Pass Police Association labor contract and the Teamsters Local Union #223 are eligible for 50% City paid medical insurance benefits for only six months following retirement. Like wise members of the International Association of Firefighters, Local 3564 hired after October 5, 2002 have the same reduced benefit. Under Oregon law, retirees retain the right to continue their health insurance benefits under the City's group plan, with no distinction made for costs or services available. Thus once the City's financial obligation ends, a retiree may elect to continue the group benefit coverage at his own expense. The City finances these expenses as they are incurred in the respective fund where the retiree had worked. The City did not establish an irrevocable trust (or equivalent arrangement) to account for the plan.

Implicit Employer Benefits – The City operates a single-employer retiree benefit plan that provides postemployment health, dental, vision and life insurance benefits to eligible employees and their spouses. There are active and retired members in the plan. Benefits and eligibility for members are established through the collective bargaining agreements. The City's post-retirement healthcare plan is established in accordance with Oregon Revised Statutes (ORS) 243.303. ORS stipulated that for the purpose of establishing healthcare premiums, the rate must be based on all plan members, including both active employees and retirees. The difference between retiree claims cost, which because of the effect of age is generally higher in comparison to all plan members, and the amount of retiree healthcare premiums represents the City's implicit employer contribution. The City did not establish an irrevocable trust (or equivalent arrangement) to account for the plan. Calculations are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and (2) actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations of the OPEB plan reflect a long-term perspective. There is no separate audited GAAP basis audited financial statements for this OPEB plan.

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**11. OTHER POSTRETIREMENT BENEFITS**

Funding Policy – The benefits from this program are paid either by the employer as described above or by the retired employees on a self-pay basis and the required contribution is based on projected pay-as-you go financing requirements. There is no obligation on the part of the City to fund these benefits in advance.

Annual Pension Cost and Net Pension Obligation - The City's annual other postemployment benefit cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance within the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the OPEB obligation at the end of the year:

	2010	2009
Annual required contribution	\$ 706,257	\$ 563,664
Interest on net pension obligation	18,186	-
Adjustment to annual required contribution	(28,526)	-
	<hr/>	<hr/>
Annual pension cost	695,917	563,664
Contributions made	(232,958)	(159,539)
	<hr/>	<hr/>
Increase in net pension obligation	462,959	404,125
NPO (Asset) at beginning of year	404,125	-
	<hr/>	<hr/>
NPO (Asset) at end of year	\$ 867,084	\$ 404,125
	<hr/>	<hr/>
Percentage of APC contributed	33.5%	28.3%
	<hr/>	<hr/>

Actuarial Methods and Assumptions – The annual required contribution (ARC) for the current year was determined as part of the August 1, 2008 actuarial valuation using the projected unit credit method. The objective of this method is to fund each participant's benefits under the plans as they accrue. The unfunded accrued liability is amortized over an open period of 30 years as a percentage of payroll. The actuarial assumptions included (a) a rate of return on investment of present and future assets of 4.5% compounded annually and a payroll growth rate of 3.75%; (b) a 30% assumption of participants who elect self-pay retiree medical coverage and an 80% assumption of participants who elect coverage upon retirement are also assumed to elect spouse coverage until the spouse reaches 65; (c) medical costs would increase at 10 percent inflation for the current year, grading down .5% a year to an annual rate of 5 percent. The demographic assumptions, such as mortality rates, disability incidence rates, retirement rates and withdrawal rates, are the same as those used by Oregon PERS.

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

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**11. OTHER POSTRETIREMENT BENEFITS**

Funding Status and Funding Progress – As of June 30, 2010, the plan was 0% funded. The actuarial accrued liability for benefits was \$4,571,871, and the actuarial value of assets was zero, resulting in an unfunded actuarial accrued liability (UAAL) of \$4,571,871. The covered payroll (annual payroll of active employees covered by the plan) was \$12,392,685, and the ratio of the UAAL to the covered payroll was 36.9%. The schedule of funding progress shows an ARC of \$232,958 for 2008-09, three year trend is not presented since this is the first year of the required actuarial valuation.

**12. FUND BALANCE DEFICITS AND OVEREXPENDITURES**

The Bancroft Bond Fund has a deficit fund balance of \$1,360,828. The City anticipates that the deficit balances will be liquidated by transfers from other funds and future revenues.

**13. LANDFILL/CLOSURE AND POSTCLOSURE CARE COSTS**

The Merlin Landfill is a municipal solid waste landfill regulated by Federal regulations, 40 CFR 258, Subpart F and the State of Oregon statutes contained in ORS 340-094. The Landfill is maintained under the specific terms of an Oregon Solid Waste Disposal Site Closure Permit No. 159, with an expiration date of June 30, 2017. In July 2001, the City purchased insurance for closure and post-closure costs. State laws and regulations required the City to place a final cover on its Merlin landfill site after it stopped accepting trash in December 2000. This cap was completed during the fiscal year ended June 30, 2002. The Remedial Investigation and Risk Assessment reports have been completed and approved by the Oregon Department of Environmental Quality (DEQ). The City received a Record of Decision (ROD) from the DEQ on January 3, 2006 that guides the City in the remedial actions necessary to mitigate the risk due to the groundwater contamination. The current value of post closure care costs is \$2,255,198. This is an estimate and subject to changes resulting from inflation, deflation, technology, or changes in applicable laws or regulations.

**14. PROPERTY TAX LIMITATIONS**

The State of Oregon has a constitutional limit on property taxes for schools and nonschool government operations. The limitation provides that property taxes for nonschool operations are limited to \$10.00 for each \$1,000 of property market value. This limitation does not apply to taxes levied for principal and interest on general obligation bonded debt.

An additional limit reduces the amount of operating property tax revenues available to the City. This reduction was accomplished by rolling property values for 1997-98 back to their 1995-96 values less 10% and limiting future tax value growth of each property to no more than 3% per year, subject to certain exceptions. Taxes levied to support bonded debt are exempted from the reductions. The Constitution also sets restrictive voter approval requirements for most tax and many fee increases and new bond issues.

**15. CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS**

At June 30, 2010, the City had entered into several capital construction projects with various vendors. The outstanding commitments for these projects at June 30, 2010 are \$126,275.

At June 30, 2010 there was \$482,870 of unspent bond proceeds in the Land and Buildings Project Fund for the two new Public Safety Stations. This amount affects the Net Asset calculation on the Statement of Net Assets, because this cash is restricted for capital purposes.

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

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**16. COMPENSATED ABSENCES**

Changes in governmental compensated absences are as follows:

	June 30, 2009	Additions	Deletions	June 30, 2010	Amount Due within one year
Vacation and Sick Leave Payable	\$ 1,402,404	\$ 710,030	\$ 519,059	\$ 1,593,375	\$ 300,000

**CITY OF GRANTS PASS**  
**JOSEPHINE COUNTY, OREGON**

**REQUIRED SUPPLEMENTARY INFORMATION**

Individual Major Governmental Fund Statements

**WHERE THE ROGUE RIVER RUNS**



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**CITY OF GRANTS PASS**  
**JOSEPHINE COUNTY, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**ACTUAL AND BUDGET - BUDGETARY BASIS**  
**For the Fiscal Year Ended June 30, 2010**

<u>GENERAL FUND</u>				VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
<b>REVENUES:</b>				
Taxes	\$ 16,332,734	\$ 16,332,734	\$ 16,935,301	\$ 602,567
Licenses and Permits	244,341	244,341	262,289	17,948
Intergovernmental	2,032,396	2,032,396	1,685,569	(346,827)
Charges for Services	754,557	754,557	831,545	76,988
Fines and Forfeitures	232,144	232,144	300,528	68,384
Interest on Investments	164,000	164,000	169,881	5,881
Miscellaneous	79,250	79,250	2,454,169	2,374,919
Total Revenues	19,839,422	19,839,422	22,639,282	2,799,860
<b>EXPENDITURES:</b>				
Mayor and Council	188,817	188,817 (1)	158,565	30,252
Public Safety Field Services	11,595,055	11,595,055 (1)	11,094,059	500,996
Public Safety Support Services	3,462,116	3,462,116 (1)	3,120,551	341,565
Crisis Support Services	41,242	41,242 (1)	39,618	1,624
Street Lighting	305,500	305,500 (1)	275,517	29,983
Code Enforcement	220,425	220,425 (1)	207,972	12,453
Park Maintenance Services	1,396,815	1,396,815 (1)	1,318,829	77,986
Aquatic Services	116,457	116,457 (1)	97,721	18,736
Recreation Services	138,604	138,604 (1)	130,820	7,784
Planning Services	783,314	783,314 (1)	609,382	173,932
Building and Safety Services	600,984	600,984 (1)	472,525	128,459
Economic Development	131,361	136,361 (1)	135,748	613
Downtown Development	289,714	289,714 (1)	286,427	3,287
Tourism Promotion	290,829	290,829 (1)	267,828	23,001
General Program Operations	81,000	225,000 (1)	197,807	27,193
Debt Service	199,284	200,284 (1)	200,076	208
Contingency	830,000	680,000 (1)	-	680,000
Total Expenditures	20,671,517	20,671,517	18,613,445	2,058,072
Excess of Revenues Over (Under) Expenditures	(832,095)	(832,095)	4,025,837	4,857,932
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	849,607	849,607	815,027	(34,580)
Sale of Assets	1,000	1,000	4,968	3,968
Interfund Loans	-	-	-	-
Transfers Out	(35,000)	(35,000) (1)	(35,000)	-
Total other financing uses	815,607	815,607	784,995	(30,612)
Net Change in Fund Balance	(16,488)	(16,488)	4,810,832	4,827,320
Beginning Fund Balance	3,034,563	3,034,563	3,556,946	522,383
Ending Fund Balance	\$ 3,018,075	\$ 3,018,075	\$ 8,367,778	\$ 5,349,703
Reconciliation to GAAP Fund Balance				
Interfund Loans			1,830,000	
Total GAAP Fund Balance			\$ 10,197,778	
(1) Appropriation Level				

**CITY OF GRANTS PASS**  
**JOSEPHINE COUNTY, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**ACTUAL AND BUDGET- BUDGETARY BASIS**  
**For the Fiscal Year Ended June 30, 2010**

<u>SOLID WASTE FUND</u>				VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
REVENUES:				
Licenses and Permits	\$ 1,500	\$ 1,500	\$ 2,690	\$ 1,190
Intergovernmental	444,596	444,596	397,635	(46,961)
Charges for Services	332,653	332,653	283,067	(49,586)
Interest on Investments	75,800	75,800	23,818	(51,982)
Miscellaneous Revenue	15,600	15,600	16,899	1,299
Total Revenues	<u>870,149</u>	<u>870,149</u>	<u>724,109</u>	<u>(146,040)</u>
EXPENDITURES:				
Environmental Waste Fees	224,000	224,000 (1)	224,819	(819)
Field Operations	26,716	26,716 (1)	19,718	6,998
Post-closure	107,393	107,393 (1)	73,317	34,076
General Program Operations	22,441	22,441 (1)	9,400	13,041
Capital Outlay	2,738,422	2,738,422 (1)	59,132	2,679,290
Debt Service	366,772	371,772 (1)	371,423	349
Contingency	13,169	8,169 (1)	-	8,169
Total Expenditures	<u>3,498,913</u>	<u>3,498,913</u>	<u>757,809</u>	<u>2,741,104</u>
Excess of Revenues Over (Under) Expenditures	(2,628,764)	(2,628,764)	(33,700)	2,595,064
OTHER FINANCING SOURCES (USES)				
Transfers In	38,000	38,000	38,000	-
Loan Proceeds	-	-	-	-
Transfers Out	(68,000)	(68,000)	(62,000)	6,000
Total Other Financing Sources (Uses)	<u>(30,000)</u>	<u>(30,000)</u>	<u>(24,000)</u>	<u>6,000</u>
Net Change in Fund Balance	(2,658,764)	(2,658,764)	(57,700)	2,601,064
Beginning Fund Balance	<u>2,863,790</u>	<u>2,863,790</u>	<u>1,435,454</u>	<u>(1,428,336)</u>
Ending Fund Balance	<u>\$ 205,026</u>	<u>\$ 205,026</u>	<u>\$ 1,377,754</u>	<u>\$ 1,172,728</u>
Reconciliation to GAAP Equity				
Interfund Loan			<u>\$ 1,540,000</u>	
GAAP Equity			<u>\$ 2,917,754</u>	
(1) Appropriation Level				

**CITY OF GRANTS PASS**  
**JOSEPHINE COUNTY, OREGON**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

The budgetary basis for required supplementary information is the same as GAAP, except for interfund loans which are accounted for as "other financing sources" for budgetary purposes and is considered loans for GAAP.

**WHERE THE ROGUE RIVER RUNS**



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**CITY OF GRANTS PASS**  
**JOSEPHINE COUNTY, OREGON**

**SUPPLEMENTARY INFORMATION**

Combining, Individual Fund, and  
Other Financial Schedules

**WHERE THE ROGUE RIVER RUNS**



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**CITY OF GRANTS PASS**  
**JOSEPHINE COUNTY, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**ACTUAL AND BUDGET- BUDGETARY BASIS**  
**For the Fiscal Year Ended June 30, 2010**

<u>GENERAL OBLIGATION BOND</u>				VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
REVENUES:				
Taxes	\$ 924,357	\$ 924,357	\$ 927,772	\$ 3,415
Interest on Investments	1,000	1,000	52	(948)
Total Revenues	925,357	925,357	927,824	2,467
EXPENDITURES:				
Materials and Services	-	- (1)	-	-
Debt Service	919,000	919,000 (1)	919,000	-
Contingency	-	- (1)	-	-
Total Expenditures	919,000	919,000	919,000	-
Excess of Revenues Over (Under) Expenditures	6,357	6,357	8,824	2,467
OTHER FINANCING SOURCES (USES):				
Bond Proceeds	-	-	-	-
Transfers Out	-	- (1)	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	6,357	6,357	8,824	2,467
Beginning Fund Balance	37,994	37,994	60,113	22,119
Ending Fund Balance	\$ 44,351	\$ 44,351	\$ 68,937	\$ 24,586

(1) Appropriation Level

**CITY OF GRANTS PASS**  
**JOSEPHINE COUNTY, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**ACTUAL AND BUDGET- BUDGETARY BASIS**  
**For the Fiscal Year Ended June 30, 2010**

	<u>BANCROFT BOND</u>			VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
REVENUES:				
Special Assessments	\$ 130,000	\$ 130,000	\$ 374,550	\$ 244,550
Interest on Assessments	30,000	30,000	68,268	38,268
Interest on Investments	-	-	(264)	(264)
Total Revenues	160,000	160,000	442,554	282,554
EXPENDITURES:				
Materials and Services	105,000	105,000 (1)	20,481	84,519
Debt Service	64,300	64,300 (1)	-	64,300
Contingency	700	700 (1)	-	700
Total Expenditures	170,000	170,000	20,481	149,519
Excess of Revenues Over (Under) Expenditures	(10,000)	(10,000)	422,073	432,073
OTHER FINANCING SOURCES (USES):				
Bond Proceeds	480,000	480,000	-	(480,000)
Transfers Out	(470,000)	(470,000) (1)	-	470,000
Total Other Financing Sources (Uses)	10,000	10,000	-	(10,000)
Net Change in Fund Balance	-	-	422,073	422,073
Beginning Fund Balance	-	-	(242,901)	(242,901)
Ending Fund Balance	\$ -	\$ -	\$ 179,172	\$ 179,172
Reconciliation to GAAP Equity				
Interfund Loan			\$ (1,540,000)	
GAAP Equity			\$ (1,360,828)	

(1) Appropriation Level



**CITY OF GRANTS PASS**  
**JOSEPHINE COUNTY, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**ACTUAL AND BUDGET- BUDGETARY BASIS**  
**For the Fiscal Year Ended June 30, 2010**

<u>TRANSPORTATION PROJECTS FUND</u>				VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
REVENUES:				
Intergovernmental	\$ 1,285,000	\$ 1,285,000	\$ 1,722,748	\$ 437,748
Charges for Services	910,000	910,000	479,142	(430,858)
Interest on Investments	79,000	79,000	129,153	50,153
Trust Receipts	-	-	16,219	16,219
Contributions	15,000	15,000	1,659	(13,341)
Miscellaneous Revenues	-	-	125,104	125,104
Total Revenues	<u>2,289,000</u>	<u>2,289,000</u>	<u>2,474,025</u>	<u>185,025</u>
EXPENDITURES:				
Contingency	-	-	-	-
Capital Outlay	<u>10,754,188</u>	<u>10,754,188</u>	(1) 3,096,021	<u>7,658,167</u>
Total Expenditures	<u>10,754,188</u>	<u>10,754,188</u>	<u>3,096,021</u>	<u>7,658,167</u>
Excess of Revenues Over (Under) Expenditures	<u>(8,465,188)</u>	<u>(8,465,188)</u>	<u>(621,996)</u>	<u>7,843,192</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	1,075,065	1,075,065	573,807	(501,258)
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>1,075,065</u>	<u>1,075,065</u>	<u>573,807</u>	<u>(501,258)</u>
Net Change in Fund Balance	(7,390,123)	(7,390,123)	(48,189)	7,341,934
Beginning Fund Balance	<u>7,390,123</u>	<u>7,390,123</u>	<u>8,033,585</u>	<u>643,462</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,985,396</u>	<u>\$ 7,985,396</u>
Reconciliation to GAAP Equity				

(1) Appropriation Level

**CITY OF GRANTS PASS**  
**JOSEPHINE COUNTY, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**ACTUAL AND BUDGET- BUDGETARY BASIS**  
**For the Fiscal Year Ended June 30, 2010**

<u>LAND AND BUILDING PROJECTS FUND</u>				VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
<b>REVENUES:</b>				
Intergovernmental	\$ 2,717,330	\$ 2,717,330	\$ 106,037	\$ (2,611,293)
Charges for Services	307,500	307,500	141,517	(165,983)
Interest on Investments	45,000	45,000	49,290	4,290
Contributions	20,000	20,000	-	(20,000)
Miscellaneous	-	-	11,248	11,248
Total Revenues	<u>3,089,830</u>	<u>3,089,830</u>	<u>308,092</u>	<u>(2,781,738)</u>
<b>EXPENDITURES:</b>				
Capital Outlay	<u>7,858,038</u>	<u>7,908,038</u> (1)	<u>1,884,659</u>	<u>6,023,379</u>
Total expenditures	<u>7,858,038</u>	<u>7,908,038</u>	<u>1,884,659</u>	<u>6,023,379</u>
Excess of Revenues Over (Under) Expenditures	<u>(4,768,208)</u>	<u>(4,818,208)</u>	<u>(1,576,567)</u>	<u>3,241,641</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Loan Proceeds	-	-	-	
Transfers In	189,138	189,138	183,873	(5,265)
Sale of Assets	925,000	925,000	-	(925,000)
Transfers Out	<u>(50,000)</u>	<u>(50,000)</u> (1)	<u>(50,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>1,064,138</u>	<u>1,064,138</u>	<u>133,873</u>	<u>(930,265)</u>
Net Change in Fund Balance	(3,704,070)	(3,754,070)	(1,442,694)	2,311,376
Beginning Fund Balance	<u>3,704,070</u>	<u>3,704,070</u>	<u>5,736,954</u>	<u>2,032,884</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ (50,000)</u>	<u>\$ 4,294,260</u>	<u>\$ 4,344,260</u>
Reconciliation to GAAP Fund Balance				
Interfund Loans			<u>(1,580,000)</u>	
Total GAAP Fund Balance			<u>\$ 2,714,260</u>	

(1) Appropriation Level

**CITY OF GRANTS PASS**  
**JOSEPHINE COUNTY, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**ACTUAL AND BUDGET- BUDGETARY BASIS**  
**For the Fiscal Year Ended June 30, 2010**

PARKWAY REDEVELOPMENT AGENCY

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
<b>REVENUES:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	251,677	251,677
Interest on Investments	78,650	78,650	28,160	(50,490)
Trust Receipts	-	-	115,365	115,365
Miscellaneous	4,500	4,500	5,380	880
Total revenues	83,150	83,150	400,582	317,432
<b>EXPENDITURES:</b>				
Materials and Services	39,430	39,430	(1) 24,742	14,688
Capital Outlay	350,000	350,000	(1) -	350,000
Tax Turnover	1,621,104	1,621,104	(1) 1,576,784	44,320
Debt Service				
Principal	2,720,260	2,720,260	(1) 2,484,761	235,499
Interest	199,284	199,284	(1) 200,076	(792)
Contingency	-	-	(1) -	-
Total Expenditures	4,930,078	4,930,078	4,286,363	643,715
Excess of Revenues Over (Under) Expenditures	(4,846,928)	(4,846,928)	(3,885,781)	(326,283)
<b>OTHER FINANCING SOURCES (USES)</b>				
Loan Proceeds	-	-	-	-
Transfers In	2,812,441	2,812,441	2,541,744	(270,697)
Sale of Assets	-	-	-	-
Transfers Out	(2,812,441)	(2,812,441)	(1) (2,541,744)	270,697
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	(4,846,928)	(4,846,928)	(3,885,781)	961,147
Beginning Fund Balance	4,846,898	4,846,898	4,722,428	(124,470)
Ending Fund Balance	\$ (30)	\$ (30)	\$ 836,647	\$ 836,677
Reconciliation to GAAP Fund Balance				
Interfund Loans			(250,000)	
Total GAAP Fund Balance			\$ 586,647	

(1) Appropriation Level

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON  
COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2010**

	SPECIAL REVENUE FUNDS		
	TRANSIENT ROOM TAX FUND	STREET UTILITY FUND	COMMUNITY DEVELOPMENT BLOCK GRANT FUND
ASSETS:			
Cash and Investments	\$ -	\$ 396,987	\$ 925,320
Prepaid Items	-	232	-
Receivables			
Intergovernmental	-	116,003	-
Accounts, net	-	131,762	-
Notes	-	-	175,451
Grants	-	-	-
Accrued Interest	-	-	-
Restricted Assets			
Cash and Cash Equivalents	-	-	-
Notes and Taxes Receivable	-	-	-
Accrued Interest Receivable	-	-	-
Total Assets	<u>\$ -</u>	<u>\$ 644,984</u>	<u>\$ 1,100,771</u>
LIABILITIES AND FUND BALANCES:			
Liabilities:			
Accounts Payable	\$ -	\$ 57,509	\$ 150
Salaries, withholdings and taxes payable	-	15,081	-
Due To Other Funds	-	-	-
Deferred Revenue	-	-	175,451
Total Liabilities	<u>-</u>	<u>72,590</u>	<u>175,601</u>
Fund Balances:			
Unreserved	<u>-</u>	<u>572,394</u>	<u>925,170</u>
Total fund balances	<u>-</u>	<u>572,394</u>	<u>925,170</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 644,984</u>	<u>\$ 1,100,771</u>

SPECIAL REVENUE FUNDS		
HOUSING & ECONOMIC DEVELOPMENT FUND	STORM WATER & OPEN SPACE FUND	TOTAL
\$ 973,314	\$ 694,649	\$ 2,990,270
-	-	232
-	-	116,003
-	-	131,762
26,005	-	201,456
-	-	-
609	-	609
-	82,818	82,818
-	35,256	35,256
-	5,967	5,967
<u>\$ 999,928</u>	<u>\$ 818,690</u>	<u>\$ 3,564,373</u>
\$ -	\$ -	\$ 57,659
-	-	15,081
-	146,205	146,205
<u>26,005</u>	<u>35,256</u>	<u>236,712</u>
<u>26,005</u>	<u>181,461</u>	<u>455,657</u>
<u>973,923</u>	<u>637,229</u>	<u>3,108,716</u>
<u>973,923</u>	<u>637,229</u>	<u>3,108,716</u>
<u>\$ 999,928</u>	<u>\$ 818,690</u>	<u>\$ 3,564,373</u>

**CITY OF GRANTS PASS**  
**JOSEPHINE COUNTY, OREGON**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**For the Fiscal Year Ended June 30, 2010**

	SPECIAL REVENUE FUNDS		
	TRANSIENT ROOM TAX FUND	STREET UTILITY FUND	COMMUNITY DEVELOPMENT BLOCK GRANT FUND
REVENUES:			
Taxes	\$ 940,765	\$ -	\$ -
Licenses and Permits	-	9,070	-
Intergovernmental	-	1,468,065	-
Charges for Services	-	790,973	-
Interest on Investments	392	2,991	8,828
Industrial and Other Loans	-	-	10,126
Miscellaneous Revenues	-	4,565	4,259
Total Revenues	941,157	2,275,664	23,213
EXPENDITURES:			
Development	16,257	-	2,236
Field Operations	-	1,545,768	-
Debt Service	-	-	-
Capital Outlay	-	-	-
Total Expenditures	16,257	1,545,768	2,236
Excess of Revenues Over, (Under) Expenditures	924,900	729,896	20,977
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Sale of Assets	-	107	-
Transfers Out	(924,900)	(478,807)	-
Total Other Financing Sources (U	(924,900)	(478,700)	-
Net Change in Fund Balance	-	251,196	20,977
Beginning Fund Balance	-	321,198	904,193
Ending Fund Balance	\$ -	\$ 572,394	\$ 925,170

SPECIAL REVENUE FUNDS		
HOUSING & ECONOMIC DEVELOPMENT FUND	STORM WATER & OPEN SPACE FUND	TOTAL
\$ -	\$ -	\$ 940,765
-	-	9,070
-	101,358	1,569,423
-	54,710	845,683
9,542	6,905	28,658
3,037	-	13,163
549	2,662	12,035
13,128	165,635	3,418,797
30,000	-	48,493
-	-	1,545,768
-	-	-
-	109	109
30,000	109	1,594,370
(16,872)	165,526	1,824,427
-	-	-
-	-	107
(5,000)	-	(1,408,707)
(5,000)	-	(1,408,600)
(21,872)	165,526	415,827
995,795	471,703	2,692,889
\$ 973,923	\$ 637,229	\$ 3,108,716

**CITY OF GRANTS PASS**  
**JOSEPHINE COUNTY, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**ACTUAL AND BUDGET- BUDGETARY BASIS**  
**For the Fiscal Year Ended June 30, 2010**

TRANSIENT ROOM TAX FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:				
Taxes	\$ 975,002	\$ 975,002	\$ 940,765	\$ (34,237)
Interest	-	-	392	392
Total Revenues	975,002	975,002	941,157	(33,845)
EXPENDITURES:				
Materials and Services	16,257	16,257 (1)	16,257	-
Total Expenditures	16,257	16,257	16,257	-
Excess of Revenues Over (Under) Expenditures	958,745	958,745	924,900	(33,845)
OTHER FINANCING SOURCES (USES)				
Transfers Out	(958,745)	(958,745)	(924,900)	33,845
Total Other Financing Sources (Uses)	(958,745)	(958,745)	(924,900)	33,845
Net Change in Fund Balance	-	-	-	-
Beginning Fund Balance	-	-	-	-
Ending Fund Balance	\$ -	\$ -	\$ -	\$ -

(1) Appropriation Level



**CITY OF GRANTS PASS**  
**JOSEPHINE COUNTY, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**ACTUAL AND BUDGET- BUDGETARY BASIS**  
**For the Fiscal Year Ended June 30, 2010**

	<u>STREET UTILITY FUND</u>			VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
REVENUES:				
Licenses and permits	\$ 15,000	\$ 15,000	\$ 9,070	\$ (5,930)
Intergovernmental	1,417,230	1,417,230	1,468,065	50,835
Charges for services	726,200	726,200	790,973	64,773
Interest on investments	3,500	3,500	2,991	(509)
Trust Receipts	-	-	-	-
Miscellaneous	2,700	2,700	4,565	1,865
Total Revenues	<u>2,164,630</u>	<u>2,164,630</u>	<u>2,275,664</u>	<u>111,034</u>
EXPENDITURES:				
Street and drainage services	1,189,817	1,189,817 (1)	1,083,203	106,614
Support services	111,066	111,066 (1)	110,435	631
General operations	444,233	442,405 (1)	352,130	90,275
Contingency	106,912	106,912 (1)	-	106,912
Total Expenditures	<u>1,852,028</u>	<u>1,850,200</u>	<u>1,545,768</u>	<u>304,432</u>
Excess of Revenues Over (Under) Expenditures	<u>312,602</u>	<u>314,430</u>	<u>729,896</u>	<u>415,466</u>
OTHER FINANCING SOURCES (USES)				
Sale of Asset	-	-	107	107
Transfers Out	(483,065)	(483,065) (1)	(478,807)	4,258
Total Other Financing Sources (Uses)	<u>(483,065)</u>	<u>(483,065)</u>	<u>(478,700)</u>	<u>4,365</u>
Net Change in Fund Balance	(170,463)	(168,635)	251,196	419,831
Beginning Fund Balance	<u>327,515</u>	<u>327,515</u>	<u>321,198</u>	<u>(6,317)</u>
Ending Fund Balance	<u>\$ 157,052</u>	<u>\$ 158,880</u>	<u>\$ 572,394</u>	<u>\$ 413,514</u>

(1) Appropriation Level

**CITY OF GRANTS PASS**  
**JOSEPHINE COUNTY, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**ACTUAL AND BUDGET- BUDGETARY BASIS**  
**For the Fiscal Year Ended June 30, 2010**

COMMUNITY DEVELOPMENT BLOCK GRANT FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:				
Intergovernmental	\$ 800,000	\$ 800,000	\$ -	\$ (800,000)
Charges for Services	200	200	-	(200)
Interest on Investments	24,150	24,150	8,828	(15,322)
Loan Repayments	13,308	13,308	10,126	(3,182)
Contributions	6,650	6,650	4,259	(2,391)
Total Revenues	844,308	844,308	23,213	(821,095)
EXPENDITURES:				
Materials and Services	101,000	101,000 (1)	2,236	98,764
Capital Outlay	800,000	800,000	-	800,000
Contingencies	350,000	350,000 (1)	-	350,000
Total Expenditures	1,251,000	1,251,000	2,236	1,248,764
Net Change in Fund Balance	(406,692)	(406,692)	20,977	427,669
Beginning Fund Balance	802,820	802,820	904,193	101,373
Ending Fund Balance	\$ 396,128	\$ 396,128	\$ 925,170	\$ 529,042

(1) Appropriation Level

**CITY OF GRANTS PASS**  
**JOSEPHINE COUNTY, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**ACTUAL AND BUDGET- BUDGETARY BASIS**  
**For the Fiscal Year Ended June 30, 2010**

<u>HOUSING AND ECONOMIC DEVELOPMENT FUND</u>				VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
REVENUES:				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Interest on Investments	45,000	45,000	9,542	(35,458)
Industrial and Other Loan Payments	13,250	13,250	3,037	(10,213)
Miscellaneous Revenues	450	450	549	99
Total Revenues	58,700	58,700	13,128	(45,572)
EXPENDITURES:				
Materials and Services	200,000	200,000 (1)	30,000	170,000
Contingencies	100,000	100,000 (1)	-	100,000
Total Expenditures	300,000	300,000	30,000	270,000
Excess of Revenues Over (Under) Expenditures	(241,300)	(241,300)	(16,872)	224,428
OTHER FINANCING USES:				
Transfers Out	(5,000)	(5,000) (1)	(5,000)	-
Total Other Financing Uses	(5,000)	(5,000)	(5,000)	-
Net Change in Fund Balance	(246,300)	(246,300)	(21,872)	224,428
Beginning Fund Balance	969,282	969,282	995,795	26,513
Ending Fund Balance	\$ 722,982	\$ 722,982	\$ 973,923	\$ 250,941

(1) Appropriation Level

**CITY OF GRANTS PASS**  
**JOSEPHINE COUNTY, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**ACTUAL AND BUDGET- BUDGETARY BASIS**  
**For the Fiscal Year Ended June 30, 2010**

<u>STORM WATER AND OPEN SPACE</u>				VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
REVENUES:				
Intergovernmental Revenue	\$ -	\$ -	\$ 101,358	\$ 101,358
Charges for Services	90,000	90,000	54,710	(35,290)
Interest on Investments	1,000	1,000	6,905	
Miscellaneous	-	-	2,662	2,662
Total Revenues	91,000	91,000	165,635	74,635
EXPENDITURES:				
Stormwater Maintenance	-	-	-	-
Customer Services	-	-	-	-
General Program Operations	-	-	-	-
Capital Outlay	505,923	505,923	(1) 109	505,814
Debt Service	-	-	-	-
Contingency	-	-	-	-
Total Expenditures	505,923	505,923	109	505,814
Excess of Revenues Over (Under) Expenditures	(414,923)	(414,923)	165,526	580,449
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Interfund Loan Proceeds	-	-	-	-
Transfers Out	-	-	(1) -	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	(414,923)	(414,923)	165,526	580,449
Beginning Fund Balance	425,486	425,486	617,908	192,422
Ending Fund Balance	\$ 10,563	\$ 10,563	\$ 783,434	\$ 772,871
Reconciliation to GAAP Equity				
Interfund Loans			\$ (146,205)	
GAAP Equity			\$ 637,229	

(1) Appropriation Level

**CITY OF GRANTS PASS**  
**JOSEPHINE COUNTY, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**ACTUAL AND BUDGET - BUDGETARY BASIS**  
**For the Fiscal Year Ended June 30, 2010**

	<u>WATER FUND</u>			VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
REVENUES:				
Charges for Services	\$ 4,340,091	\$ 4,340,091	\$ 4,070,664	\$ (269,427)
SDC Receipts	714,500	714,500	234,671	(479,829)
Taxes	-	-	1	1
Interest on Investments	64,500	64,500	71,447	6,947
Trust Receipts	55,000	55,000	24,337	(30,663)
Miscellaneous Revenues	108,360	108,360	19,105	(89,255)
Total Revenues	<u>5,282,451</u>	<u>5,282,451</u>	<u>4,420,225</u>	<u>(862,226)</u>
EXPENDITURES:				
Treatment Services	1,476,079	1,476,079 (1)	1,367,363	108,716
Distribution Services	1,213,393	1,213,393 (1)	993,873	219,520
Customer Services	396,955	396,955 (1)	370,020	26,935
General Operations	330,299	330,299 (1)	295,471	34,828
Debt Service				-
Principal	355,000	355,000 (1)	768,000 (2)	(413,000)
Interest	69,123	69,123 (1)	53,155	15,968
Capital Outlay	3,323,917	3,323,917 (1)	1,172,516	2,151,401
Contingency	323,198	323,198 (1)	-	323,198
Total Expenditures	<u>7,487,964</u>	<u>7,487,964</u>	<u>5,020,398</u>	<u>2,467,566</u>
Excess of Revenues Over (Under) Expenditures	<u>(2,205,513)</u>	<u>(2,205,513)</u>	<u>(600,173)</u>	<u>1,605,340</u>
OTHER FINANCING SOURCES (USES):				
Sale of Assets	5,000	5,000	85	(4,915)
Net Revenue from Issuance of Debt	-	-	22,460	22,460
Transfers In	605,166	605,166	605,166	-
Transfers Out	(677,166)	(677,166) (1)	(650,166)	27,000
Total Other Financing Sources (Uses)	<u>(67,000)</u>	<u>(67,000)</u>	<u>(22,455)</u>	<u>44,545</u>
Net Change in Fund Balance	(2,272,513)	(2,272,513)	(622,628)	1,649,885
Beginning Fund Balance	<u>3,648,071</u>	<u>3,648,071</u>	<u>3,933,660</u>	<u>285,589</u>
Ending Fund Balance	<u>\$ 1,375,558</u>	<u>\$ 1,375,558</u>	<u>\$ 3,311,032</u>	<u>\$ 1,935,474</u>
Reconciliation to Net Assets				
Capital Assets, net			51,564,785	
General Obligation Bonds Payable			(782,312)	
Deferred Revenue			158,612	
Total Net Assets			<u>\$ 54,252,117</u>	

(1) Appropriation Level

(2) Appropriations budget only exceeded due to costs and expenditures of a new bond issue, which per ORS 294.326(5) and ORS 294.483(2) excess expenditures for bonds issued during the current budget period to refund previously issued bonds are allowed.

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
ACTUAL AND BUDGET - BUDGETARY BASIS  
For the Fiscal Year Ended June 30, 2010**

	<u>SEWER FUND</u>			VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
<b>REVENUES:</b>				
Charges for Services	\$ 4,383,052	\$ 4,383,052	\$ 4,349,984	\$ (33,068)
SDC Receipts	624,345	624,345	206,879	(417,466)
Intergovernmental	275,000	275,000	311,699	36,699
Interest on Investments	65,200	65,200	39,199	(26,001)
Trust Receipts	5,000	5,000	2,095	(2,905)
Miscellaneous	37,600	37,600	63,085	25,485
Total Revenues	<u>5,390,197</u>	<u>5,390,197</u>	<u>4,972,941</u>	<u>(417,256)</u>
<b>EXPENDITURES:</b>				
Treatment Services	1,576,493	1,576,493 (1)	1,512,290	64,203
Jo-Gro	558,004	558,004 (1)	501,848	56,156
Collection Services	621,601	621,601 (1)	589,918	31,683
Customer Services	279,607	279,607 (1)	262,507	17,100
General Operations	364,280	364,280 (1)	390,286 (2)	(26,006)
Debt service:				-
Principal	294,848	294,848 (1)	797,070 (2)	(502,222)
Interest	200,402	200,402 (1)	205,158 (2)	(4,756)
Capital Outlay	# 3,242,268	3,242,268 (1)	912,107	2,330,161
Contingency	368,902	368,902 (1)	-	368,902
Total Expenditures	<u>7,506,405</u>	<u>7,506,405</u>	<u>5,171,184</u>	<u>2,335,221</u>
Excess of Revenues Over (Under) Expenditures	<u>(2,116,208)</u>	<u>(2,116,208)</u>	<u>(198,243)</u>	<u>1,917,965</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	987,834	987,834	987,834	-
Net Revenue from Issuance of Debt	-	-	117,230	117,230
Transfers Out	(1,017,834)	(1,017,834) (1)	(1,017,834)	-
Total Other Financing Sources (Uses)	<u>(30,000)</u>	<u>(30,000)</u>	<u>87,230</u>	<u>117,230</u>
Net Change in Fund Balance	(2,146,208)	(2,146,208)	(111,013)	2,035,195
Beginning Fund Balance	<u>2,740,034</u>	<u>2,740,034</u>	<u>3,038,052</u>	<u>298,018</u>
Ending Fund Balance	<u>\$ 593,826</u>	<u>\$ 593,826</u>	<u>\$ 2,927,039</u>	<u>\$ 2,333,213</u>
Reconciliation to Net Assets				
Capital Assets, net			34,190,700	
Dissolution of Fruitdale Harbeck			5,978	
Deferred Revenue			162,827	
Interfund Loans			-	
General Obligation Bonds Payable			(5,225,120)	
Total Net Assets			<u>\$ 32,061,424</u>	

(1) Appropriation Level

(2) Appropriations budget only exceeded due to costs and expenditures of a new bond issue, which per ORS 294.326(5) and ORS 294.483(2) excess expenditures for bonds issued during the current budget period to refund previously issued bonds are allowed.

**CITY OF GRANTS PASS**  
**JOSEPHINE COUNTY, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**ACTUAL AND BUDGET - BUDGETARY BASIS**  
**For the Fiscal Year Ended June 30, 2010**

HARBECK-FRUITDALE SEWER DISTRICT

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:				
Special Assessments	\$ 2,200	\$ 2,200	\$ 4,107	\$ 1,907
Interest	10	10	42	32
Miscellaneous	0	0	0	0
Total Revenues	2,210	2,210	4,149	1,939
EXPENDITURES:				
General program operations	600	600 (1)	54	546
Debt Service	1,800	1,800 (1)	386	1,414
Contingency	24	24 (1)	0	24
Total Expenditures	2,424	2,424	440	1,984
Excess of Revenues Over (Under) Expenditures	(214)	(214)	3,709	3,923
OTHER FINANCING SOURCES (USES):				
Transfers In	0	0	0	0
Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0
Net Change in Fund Balance	(214)	(214)	3,709	3,923
Beginning Fund Balance	214	214	2,269	2,055
Ending Fund Balance	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,978</u>	<u>\$ 5,978</u>
Reconciliation to Net Assets				
Capital Assets, net			0	
Dissolution of Fruitdale Harbeck			(5,978)	
Deferred Revenue			0	
Notes Payable			0	
Net Assets			<u>\$ 0</u>	

(1) Appropriation Level

**CITY OF GRANTS PASS**  
**JOSEPHINE COUNTY, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**ACTUAL AND BUDGET - BUDGETARY BASIS**  
**For the Fiscal Year Ended June 30, 2010**

<u>REDWOOD SANITARY SEWER DISTRICT</u>				VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
<b>REVENUES:</b>				
Charges for Services	\$ 963,000	\$ 963,000	\$ 998,825	\$ 35,825
Interest on Investments	26,000	26,000	11,566	(14,434)
Total Revenues	<u>989,000</u>	<u>989,000</u>	<u>1,010,391</u>	<u>21,391</u>
<b>EXPENDITURES:</b>				
Collection	96,893	96,893 (1)	89,258	7,635
Pump and Conveyance System	310,120	310,120 (1)	295,161	14,959
Customer Services	42,824	42,824 (1)	42,933	(109)
General Program Operations	91,497	91,497 (1)	103,875 (2)	(12,378)
Capital Outlay	30,000	30,000 (1)	0	30,000
Debt service:				
Principal	322,627	322,627 (1)	801,195 (2)	(478,568)
Interest	127,591	127,591 (1)	106,693	20,898
Contingency	255,571	255,571 (1)	0	255,571
Total Expenditures	<u>1,277,123</u>	<u>1,277,123</u>	<u>1,439,115</u>	<u>(161,992)</u>
Excess of Revenues Over (Under) Expenditures				
<b>OTHER FINANCING SOURCES</b>				
Transfers In	30,000	30,000	30,000	-
Net Revenue from Issuance of Debt	-	-	71,212	71,212
Transfers Out	<u>(30,000)</u>	<u>(30,000)</u>	<u>(30,000)</u>	<u>-</u>
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>71,212</u>	<u>71,212</u>
Net Change in Fund Balance	(288,123)	(288,123)	(357,512)	(69,389)
Beginning Fund Balance	<u>1,195,794</u>	<u>1,195,794</u>	<u>1,488,070</u>	<u>292,276</u>
Ending Fund Balance	<u>\$ 907,671</u>	<u>\$ 907,671</u>	<u>\$ 1,130,558</u>	<u>\$ 222,887</u>
<b>Reconciliation to Net Assets</b>				
Capital Assets, net			\$ 9,087,752	
Deferred Revenue			80,540	
General Obligation Bonds Payable			<u>(2,545,633)</u>	
Total Net Assets			<u>\$ 7,753,217</u>	

(1) Appropriation Level

(2) Appropriations budget only exceeded due to costs and expenditures of a new bond issue, which per ORS 294.326(5) and ORS 294.483(2) excess expenditures for bonds issued during the current budget period to refund previously issued bonds are allowed.



**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON  
COMBINING STATEMENT OF NET ASSETS  
INTERNAL SERVICE FUNDS  
JUNE 30, 2010**

	<u>FLEET OPERATIONS FUND</u>	<u>SUPPORT SERVICES FUND</u>	<u>ADMINISTRATIVE SERVICES FUND</u>	<u>INSURANCE SERVICES FUND</u>	<u>TOTAL</u>
<b>ASSETS:</b>					
Current assets					
Cash and Investments	\$ 3,794,672	\$ 879,611	\$ 936,100	\$ 2,683,477	\$ 8,293,860
Prepaid Items	1,867	23,601	-	10,000	35,468
Receivables					
Accounts, net	-	36,706	244	-	36,950
Accrued interest	-	-	-	-	-
Due from other funds	-	-	-	146,205	146,205
	<u>3,796,539</u>	<u>939,918</u>	<u>936,344</u>	<u>2,839,682</u>	<u>8,512,483</u>
Capital assets, net	<u>1,403,422</u>	<u>389,837</u>	<u>13,041</u>	<u>-</u>	<u>1,806,300</u>
Total assets	<u>\$ 5,199,961</u>	<u>\$ 1,329,755</u>	<u>\$ 949,385</u>	<u>\$ 2,839,682</u>	<u>\$ 10,318,783</u>
<b>LIABILITIES AND NET ASSETS:</b>					
<b>LIABILITIES:</b>					
Current Liabilities					
Accounts Payable	\$ 19,162	\$ 50,842	\$ 82,348	\$ 36,477	\$ 188,829
Salaries, withholdings and taxes payable	63,311	237,024	322,914	3,863	627,112
Pending Claims	-	-	-	39,480	39,480
Due to other funds	-	-	-	-	-
	<u>82,473</u>	<u>287,866</u>	<u>405,262</u>	<u>79,820</u>	<u>855,421</u>
Total Current Liabilities	<u>82,473</u>	<u>287,866</u>	<u>405,262</u>	<u>79,820</u>	<u>855,421</u>
Total Liabilities	<u>82,473</u>	<u>287,866</u>	<u>405,262</u>	<u>79,820</u>	<u>855,421</u>
<b>NET ASSETS</b>					
Invested in Capital Assets, net of related debt	1,403,422	389,837	13,041	-	1,806,300
Unrestricted	<u>3,714,066</u>	<u>652,052</u>	<u>531,082</u>	<u>2,759,862</u>	<u>7,657,062</u>
Total Net Assets	<u>5,117,488</u>	<u>1,041,889</u>	<u>544,123</u>	<u>2,759,862</u>	<u>9,463,362</u>
Total Liabilities and Net Assets	<u>\$ 5,199,961</u>	<u>\$ 1,329,755</u>	<u>\$ 949,385</u>	<u>\$ 2,839,682</u>	<u>\$ 10,318,783</u>

**CITY OF GRANTS PASS**  
**JOSEPHINE COUNTY, OREGON**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**  
**INTERNAL SERVICE FUNDS**  
**For the Fiscal Year Ended June 30, 2010**

	FLEET OPERATIONS FUND	SUPPORT SERVICES FUND	ADMINISTRATIVE SERVICES FUND	INSURANCE SERVICES FUND	TOTAL
OPERATING REVENUES:					
Charges for Services	\$ 1,399,862	\$ 2,519,414	\$ 2,827,314	\$ 932,787	\$ 7,679,377
Miscellaneous	3,171	17,579	5,750	11,985	38,485
Total Operating Revenues	1,403,033	2,536,993	2,833,064	944,772	7,717,862
OPERATING EXPENSES:					
Salaries, Wages, and Benefits	307,724	1,476,714	1,970,228	54,633	3,809,299
Operating Supplies	266,805	36,530	40,398	3,268	347,001
Repairs and Maintenance	23,306	120,636	1,559	-	145,501
Utilities	675	110,005	7,422	-	118,102
Professional Services	346	33,521	579,736	43,490	657,093
General, Administrative and Engineering	400,467	503,467	323,645	457,727	1,685,306
Depreciation	156,589	37,746	1,449	-	195,784
Total Operating Expenses	1,155,912	2,318,619	2,924,437	559,118	6,958,086
Total Operating Income (Loss)	247,121	218,374	(91,373)	385,654	759,776
NONOPERATING INCOME (LOSS)					
Gain (Loss) on the Sale of Assets	13,012	-	-	-	13,012
Intergovernmental	-	-	12,946	-	12,946
Interest Income	34,779	7,403	9,280	25,220	76,682
Total nonoperating income (expense)	47,791	7,403	22,226	25,220	102,640
Income, (Loss) Before Operating Transfers	294,912	225,777	(69,147)	410,874	862,416
TRANSFERS					
Transfers In	30,000	-	-	-	30,000
Transfers Out	-	(10,000)	-	-	(10,000)
Total Transfers	30,000	(10,000)	-	-	20,000
Change in Net Assets	324,912	215,777	(69,147)	410,874	882,416
Beginning Net Assets	4,792,576	826,112	613,270	2,348,988	8,580,946
Ending Net Assets	\$ 5,117,488	\$ 1,041,889	\$ 544,123	\$ 2,759,862	\$ 9,463,362

**WHERE THE ROGUE RIVER RUNS**



© City of Grants Pass

**CITY OF GRANTS PASS**  
**JOSEPHINE COUNTY, OREGON**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**For the Fiscal Year Ended June 30, 2010**

	FLEET OPERATIONS FUND	SUPPORT SERVICES FUND
Cash Flows From Operating Activities:		
Cash Received from Customers	\$ 1,430,463	\$ 2,522,799
Cash Paid to Suppliers	(683,594)	(832,679)
Cash Paid to Employees	(301,845)	(1,612,626)
Net cash provided (used) by operating activities	<u>445,024</u>	<u>77,494</u>
Cash Flows From Noncapital Financing Activities		
Intergovernmental Revenue	-	-
Gain (Loss) on the Sale of Assets	13,012	-
Interfund Loan	-	-
Transfers In	30,000	-
Transfers Out	-	(10,000)
Net cash provided (used) by noncapital financing activities	<u>43,012</u>	<u>(10,000)</u>
Cash Flows From Capital and Related Financing Activities		
Acquisition and Construction of Capital Assets	24,137	(12,306)
Net cash provided (used) by capital financing activities	<u>24,137</u>	<u>(12,306)</u>
Cash flows from investing activities		
Interest on Investments	34,779	7,403
Net increase (decrease) in cash and investments	546,952	62,591
Cash and investments, beginning of year	3,247,720	817,020
Cash and investments, end of year	<u>\$ 3,794,672</u>	<u>\$ 879,611</u>
Reconciliation of Operating Income to		
Net Cash Provided by Operating Activities		
Operating Income	\$ 247,121	\$ 218,374
Depreciation and Amortization	156,589	37,746
(Increase) Decrease in Receivables	27,430	(14,194)
Increase (Decrease) in Payables	8,005	(28,520)
Increase (Decrease) in Payroll Liabilities	5,879	(135,912)
Net Cash Provided by Operating Activities	<u>\$ 445,024</u>	<u>\$ 77,494</u>

ADMINISTRATIVE SERVICES FUND	INSURANCE SERVICES FUND	TOTAL
\$ 2,834,695	\$ 986,521	\$ 7,774,478
(926,714)	(680,826)	(3,123,813)
(2,011,588)	(54,286)	(3,980,345)
(103,607)	251,409	670,320
12,946	-	12,946
-	-	13,012
-	-	-
-	-	30,000
-	-	(10,000)
12,946	-	45,958
(14,491)	-	(2,660)
(14,491)	-	(2,660)
9,280	25,220	76,682
(95,872)	276,629	790,300
1,031,972	2,406,848	7,503,560
\$ 936,100	\$ 2,683,477	\$ 8,293,860
\$ (91,373)	\$ 385,654	\$ 759,776
1,449	-	195,784
1,631	41,749	56,616
26,046	(176,341)	(170,810)
(41,360)	347	(171,046)
\$ (103,607)	\$ 251,409	\$ 670,320

**CITY OF GRANTS PASS**  
**JOSEPHINE COUNTY, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**ACTUAL AND BUDGET - BUDGETARY BASIS**  
**For the Fiscal Year Ended June 30, 2010**

	<u>FLEET OPERATIONS FUND</u>			VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
REVENUES:				
Intergovernmental	\$ 235,803	\$ 235,803	\$ -	\$ (235,803)
Charges for Services	1,370,454	1,370,454	1,399,862	29,408
Interest on Investments	21,793	21,793	34,779	12,986
Miscellaneous	20,000	20,000	3,171	(16,829)
Total Revenues	<u>1,648,050</u>	<u>1,648,050</u>	<u>1,437,812</u>	<u>(210,238)</u>
EXPENDITURES:				
Garage Operations	832,151	832,151 (1)	686,377	145,774
Equipment Replacement Operations	753,742	753,742 (1)	288,809	464,933
Contingency	85,353	85,353 (1)	-	85,353
Total Expenditures	<u>1,671,246</u>	<u>1,671,246</u>	<u>975,186</u>	<u>696,060</u>
Excess of Revenues Over (Under) Expenditures	<u>(23,196)</u>	<u>(23,196)</u>	<u>462,626</u>	<u>485,822</u>
OTHER FINANCING SOURCES:				
Transfers In	30,000	30,000	30,000	-
Sale of Assets	-	-	13,012	13,012
Transfers Out	-	-	-	-
Total Other Financing Sources	<u>30,000</u>	<u>30,000</u>	<u>43,012</u>	<u>13,012</u>
Net Change in Fund Balance	6,804	6,804	505,638	498,834
Beginning Fund Balance	<u>1,743,479</u>	<u>1,743,479</u>	<u>3,208,428</u>	<u>1,464,949</u>
Ending Fund Balance	<u>\$ 1,750,283</u>	<u>\$ 1,750,283</u>	<u>\$ 3,714,066</u>	<u>\$ 1,963,783</u>
Reconciliation to Net Assets				
Capital Assets, net			<u>1,403,422</u>	
Total Net Assets			<u>\$ 5,117,488</u>	

(1) Appropriation Level

**CITY OF GRANTS PASS**  
**JOSEPHINE COUNTY, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**ACTUAL AND BUDGET - BUDGETARY BASIS**  
**For the Fiscal Year Ended June 30, 2010**

<u>SUPPORT SERVICES FUND</u>				VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
REVENUES:				
Intergovernmental	\$ 1,000	\$ 1,000	\$ -	\$ (1,000)
Charges for Services	2,652,564	2,652,564	2,519,414	(133,150)
Interest on Investments	13,492	13,492	7,403	(6,089)
Miscellaneous Revenues	10,020	10,020	17,579	7,559
Total Revenues	2,677,076	2,677,076	2,544,396	(132,680)
EXPENDITURES:				
Property Management	530,035	530,035	(1) 485,209	44,826
Engineering Services	986,108	986,108	(1) 858,486	127,622
Community Development Management	682,567	682,567	(1) 459,245	223,322
Information Technology	566,785	566,785	490,240	76,545
Debt Service	-	-	(1) -	-
Contingency	109,376	109,376	(1) -	109,376
Total expenditures	2,874,871	2,874,871	2,293,180	581,691
Excess of Revenues Over (Under) Expenditures	(197,795)	(197,795)	251,216	449,011
OTHER FINANCING SOURCE (USES)				
Transfer In	-	-	-	-
Interfund Loans	-	-	-	-
Transfers Out	(10,000)	(10,000)	(1) (10,000)	-
Total Other Financing Sources (Uses)	(10,000)	(10,000)	(10,000)	-
Net Change in Fund Balance	(207,795)	(207,795)	241,216	449,011
Beginning Fund Balance	307,795	307,795	410,836	103,041
Ending Fund Balance	\$ 100,000	\$ 100,000	\$ 652,052	\$ 552,052
Reconciliation to Net Assets				
Interfund Loans			-	
Capital Assets, net			389,837	
Total Net Assets			\$ 1,041,889	

(1) Appropriation Level

**CITY OF GRANTS PASS**  
**JOSEPHINE COUNTY, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**ACTUAL AND BUDGET - BUDGETARY BASIS**  
**For the Fiscal Year Ended June 30, 2010**

<u>ADMINISTRATIVE SERVICES FUND</u>				VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
REVENUES:				
Intergovernmental	\$ 8,050	\$ 8,050	\$ 12,946	\$ 4,896
Charges for Services	3,026,707	3,026,707	2,827,314	(199,393)
Interest on Investments	8,750	8,750	9,280	530
Miscellaneous Revenues	-	-	5,750	5,750
Total Revenues	3,043,507	3,043,507	2,855,290	(188,217)
EXPENDITURES:				
Management Services	787,079	787,079 (1)	633,531	153,548
Legal Services	349,328	349,328 (1)	348,829	499
Finance Services	1,438,514	1,428,514 (1)	1,349,060	79,454
General Program Operations	243,885	243,885 (1)	207,593	36,292
Human Resources	391,076	401,076 (1)	398,465	2,611
Contingency	476,431	476,431 (1)	-	476,431
Total expenditures	3,686,313	3,686,313	2,937,478	748,835
Net Change in Fund Balance	(642,806)	(642,806)	(82,188)	560,618
Beginning Fund Balance	642,806	642,806	613,270	(29,536)
Ending Fund Balance	\$ -	\$ -	\$ 531,082	\$ 531,082
Reconciliation to Net Assets				
Capital Assets, net			13,041	
Total Net Assets			\$ 544,123	

(1) Appropriation Level



**CITY OF GRANTS PASS**  
**JOSEPHINE COUNTY, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**ACTUAL AND BUDGET - BUDGETARY BASIS**  
**For the Fiscal Year Ended June 30, 2010**

<u>INSURANCE SERVICES FUND</u>				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Charges for Services	952,637	952,637	932,787	(19,850)
Interest on Investments	31,251	31,251	25,220	(6,031)
Miscellaneous	-	-	11,985	11,985
Total Revenues	983,888	983,888	969,992	(13,896)
EXPENDITURES:				
General Insurance Services	473,932	473,932 (1)	394,454	79,478
Benefits Administration	46,800	46,800 (1)	29,431	17,369
Workers' Compensation Insurance	375,407	375,407 (1)	135,233	240,174
Contingency	350,000	350,000 (1)	-	350,000
Total expenditures	1,246,139	1,246,139	559,118	687,021
Excess of Revenues Over (Under) Expenditures	(262,251)	(262,251)	410,874	673,125
OTHER FINANCING SOURCE (USES)				
Interfund Loans	-	-	-	-
Transfer In	-	-	-	-
Transfers Out	-	- (1)	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	(262,251)	(262,251)	410,874	673,125
Beginning Fund Balance	2,045,150	2,045,150	2,202,783	157,633
Prior Period Adjustment				
Ending Fund Balance	\$ 1,782,899	\$ 1,782,899	\$ 2,613,657	\$ 830,758
Reconciliation to Net Assets				
Interfund Loans			146,205	
Total Net Assets			\$ 2,759,862	

(1) Appropriation Level

**CITY OF GRANTS PASS**  
**JOSEPHINE COUNTY, OREGON**

**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUND**  
**For the Fiscal Year Ended June 30, 2010**

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	Balance at June 30, 2009	Additions	Deductions	Balance at June 30, 2010
<b>Assets</b>				
Cash and Investments	\$ 3,369,109	\$ 3,577,297	\$ 3,369,109	\$ 3,577,297
Accounts Receivable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 3,369,109</u>	<u>\$ 3,577,297</u>	<u>\$ 3,369,109</u>	<u>\$ 3,577,297</u>
<b>Liabilities</b>				
Due to Others	<u>\$ 3,369,109</u>	<u>\$ 3,577,297</u>	<u>\$ 3,369,109</u>	<u>\$ 3,577,297</u>

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES  
OF TAXES UNCOLLECTED  
For the Fiscal Year Ended June 30, 2010**

GENERAL AND WATER FUNDS

<u>TAX YEAR</u>	<u>IMPOSED LEVY OR BALANCE UNCOLLECTED AT 7/1/09</u>	<u>DEDUCT DISCOUNTS</u>	<u>ADJUSTMENTS TO ROLLS</u>	<u>ADD INTEREST</u>	<u>CASH COLLECTIONS BY COUNTY TREASURER</u>	<u>BALANCE UNCOLLECTED OR UNSEGREGATED AT 6/30/10</u>
Current:						
2009-10	\$ 15,247,413	\$ 376,246	\$ 0	\$ 7,781	\$ 14,177,029	\$ 701,919
Prior Years:						
2008-09	607,966	0	(29,062)	15,390	295,726	298,568
2007-08	211,254	0	(1,677)	10,197	93,018	126,756
2006-07	79,903	0	7,654	11,679	68,470	30,766
2005-06	17,360	0	(7,993)	1,545	7,485	3,427
2004-05	1,937	0	(83)	296	1,148	1,002
Prior	7,570	0	(3,027)	684	1,890	3,337
Total Prior	925,990	0	(34,188)	39,791	467,737	463,856
Total All Funds	\$ 16,173,403	\$ 376,246	\$ (34,188)	\$ 47,572	\$ 14,644,766	\$ 1,165,775

RECONCILIATION TO REVENUE:

Cash Collections by County Treasurer Above	\$ 14,644,766
Accrual of Receivables:	
June 30, 2009	(152,461)
June 30, 2010	174,692
Miscellaneous Taxes	6,319
Total Revenue	\$ 14,673,316

**CITY OF GRANTS PASS**  
**JOSEPHINE COUNTY, OREGON**

**STATISTICAL SECTION**

This part of the City of Grants Pass' comprehensive annual report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the government's overall financial health.

<b>Contents</b>	<b>Page</b>
<b>Financial Trends</b>	
<i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	83
<b>Revenue Capacity</b>	
<i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	90
<b>Debt Capacity</b>	
<i>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	97
<b>Demographic and Economic Information</b>	
<i>These schedules offer demographics and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	106
<b>Operating Information</b>	
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	113

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**NET ASSETS BY COMPONENT**

For the last eight fiscal years* (Unaudited)									
Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	
<b>Governmental Activities</b>									
Invested in Capital Assets, net of related debt	\$ 61,446,389	\$ 70,817,161	\$ 41,109,766	\$ 94,714,953	\$ 109,719,868	\$ 129,195,607	\$ 133,844,008	\$ 138,145,695	
Restricted for Capital Purposes	-	-	-	-	-	3,706,534	1,524,619	482,870	
Unrestricted	15,919,809	18,056,168	57,569,142	20,457,257	37,053,641	26,433,560	28,878,112	30,945,320	
Total governmental activities net assets	\$ 77,366,198	\$ 88,873,329	\$ 98,678,908	\$ 115,172,210	\$ 146,773,509	\$ 159,335,701	\$ 164,246,739	\$ 169,573,885	
<b>Business-Type Activities</b>									
Invested in Capital Assets, net of related debt	\$ 61,220,836	\$ 62,607,143	\$ 66,870,761	\$ 71,185,429	\$ 76,870,093	\$ 82,828,074	\$ 84,254,981	\$ 86,290,233	
Restricted	-	-	-	-	-	-	-	-	
Unrestricted	7,128,214	8,969,442	11,226,231	11,829,156	13,009,932	11,255,966	11,529,197	10,670,206	
Total business-type activities net assets	\$ 68,349,050	\$ 71,576,585	\$ 78,096,992	\$ 83,014,585	\$ 89,880,025	\$ 94,084,040	\$ 95,784,178	\$ 96,960,439	
<b>Primary government</b>									
Invested in Capital Assets, net of related debt	\$ 122,667,225	\$ 133,424,304	\$ 107,980,527	\$ 165,900,382	\$ 186,589,961	\$ 212,023,742	\$ 218,098,989	\$ 224,435,928	
Restricted for Capital Purposes	-	-	-	-	-	3,706,534	1,524,619	482,870	
Unrestricted	23,048,023	27,025,610	68,795,373	32,286,413	50,063,573	37,689,465	40,407,309	41,615,526	
Total primary government net assets	\$ 145,715,248	\$ 160,449,914	\$ 176,775,900	\$ 198,186,795	\$ 236,653,534	\$ 253,419,741	\$ 260,030,917	\$ 266,534,324	

\*The reporting of these statistics began after GASB 34 implementation, therefore only eight years are reported.

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**CHANGES IN NET ASSETS**

Expenses	For the last eight fiscal years (unaudited)							
	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
<b>Governmental Activities</b>								
Public Safety	\$ 6,861,932	\$ 8,967,348	\$ 11,308,389	\$ 8,505,477	\$ 13,897,740	\$ 12,104,326	\$ 15,715,693	\$ 16,622,773
Transportation	1,511,761	1,672,361	1,357,134	1,007,261	1,662,747	1,430,601	1,720,308	1,668,081
Building	644,421	862,341	1,110,231	765,541	1,178,647	910,259	806,483	496,906
Parks	1,139,412	361,174	1,518,671	1,135,134	1,666,934	1,450,608	2,063,311	1,714,511
Development	2,639,705	2,493,017	2,392,553	2,815,350	2,099,393	3,278,657	2,789,112	1,534,263
General Government	246,978	245,936	143,923	193,264	226,893	218,905	228,948	1,039,310
Solid Waste	325,399	378,738	2,050,240	(139,183)	787,168	1,474,560	178,512	284,876
Interest	149,460	364,393	173,982	339,344	212,221	445,088	504,102	657,027
<b>Total Governmental Activities Expenses</b>	<b>13,519,068</b>	<b>15,345,308</b>	<b>20,055,123</b>	<b>14,622,188</b>	<b>21,731,743</b>	<b>21,313,004</b>	<b>24,006,469</b>	<b>24,017,747</b>
<b>Business- Type Activities</b>								
Water	2,643,028	2,908,859	3,397,559	3,660,103	3,795,099	3,019,237	4,171,634	3,837,597
Sewer	3,394,601	3,606,999	5,015,385	4,544,046	4,673,214	5,617,811	5,486,284	5,567,558
Interest	416,330	547,767	***					
<b>Total Business-Type Activities Expenses</b>	<b>6,453,959</b>	<b>7,063,625</b>	<b>8,412,944</b>	<b>8,204,149</b>	<b>8,468,313</b>	<b>8,637,048</b>	<b>9,657,918</b>	<b>9,405,155</b>
<b>Total Primary Government Expenses</b>	<b>\$ 19,973,027</b>	<b>\$ 22,408,933</b>	<b>\$ 28,468,067</b>	<b>\$ 22,826,337</b>	<b>\$ 30,200,056</b>	<b>\$ 29,950,052</b>	<b>\$ 33,664,387</b>	<b>\$ 33,422,902</b>
<b>Program Revenues</b>								
<b>Governmental Activities</b>								
Charges for Service:	\$ 3,097,391	\$ 4,786,614	\$ 6,946,869	\$ 9,180,248	\$ -	\$ -	\$ -	\$ -
Transportation	-	-	-	-	23,214,300	3,541,708	2,532,870	1,679,342
General Government	-	-	-	-	5,281,710	1,161,947	506,123	360,782
Other	-	-	-	-	2,127,083	1,938,835	1,396,315	1,923,164
Operating Grants and Contributions	59,361	274,952	377,726	2,239,659	142,581	184,284	256,481	2,189,745
Capital Grants					398,285		339,749	2,600
Dedicated Property Taxes	7,435,680	*	*	*	*	*	*	*
<b>Total Governmental Activities Revenues</b>	<b>10,592,432</b>	<b>5,061,566</b>	<b>7,324,595</b>	<b>11,419,907</b>	<b>31,163,959</b>	<b>6,826,774</b>	<b>5,031,538</b>	<b>6,155,633</b>
<b>Business-Type Activities</b>								
Charges for Service:	7,579,395	8,364,037	8,781,698	10,341,297	-	-	-	-
Water					5,052,827	4,461,350	4,312,938	4,041,855
Sewer					6,281,328	5,940,872	5,332,252	5,360,977
Operating Grants and Contributions	-	-	-	1,761,536	2,873,646	1,010,140	909,274	240,729
<b>Total Business-Type Activities Revenues</b>	<b>7,579,395</b>	<b>8,364,037</b>	<b>8,781,698</b>	<b>12,102,833</b>	<b>14,207,801</b>	<b>11,412,362</b>	<b>10,554,464</b>	<b>9,643,561</b>
<b>Total Primary Government Revenues</b>	<b>\$ 18,171,827</b>	<b>\$ 13,425,603</b>	<b>\$ 16,106,293</b>	<b>\$ 23,522,740</b>	<b>\$ 45,371,760</b>	<b>\$ 18,239,136</b>	<b>\$ 15,586,002</b>	<b>\$ 15,799,194</b>
<b>Net (Expense)/Revenue</b>								
Governmental Activities	\$ (2,926,636)	\$ (10,283,742)	\$ (12,730,528)	\$ (3,202,281)	\$ 9,432,217	\$ (14,486,230)	\$ (18,974,931)	\$ (17,862,114)
Business-Type Activities	1,125,436	1,300,412	368,754	3,898,684	5,739,488	2,775,314	896,546	238,406
<b>Total Primary Government Net Expense</b>	<b>\$ (1,801,200)</b>	<b>\$ (8,983,330)</b>	<b>\$ (12,361,774)</b>	<b>\$ 696,403</b>	<b>\$ 15,171,704</b>	<b>\$ (11,710,916)</b>	<b>\$ (18,078,385)</b>	<b>\$ (17,623,708)</b>

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**CHANGES IN NET ASSETS (continued)**

	2003	2004	2005	2006	2007	2008	2009	2010
<b>General Revenues and Other Changes in Net Assets</b>								
Governmental Activities								
Taxes	\$ 2,936,236	\$ 11,035,419	\$ 11,922,037	\$ 14,003,723	\$ 16,153,726	\$ 18,241,381	\$ 17,808,752	\$ 18,913,372
Licenses and Permits	58,381	**	**	**	**	**	**	**
Intergovernmental	4,264,905	3,636,796	3,805,599	3,727,927	3,551,395	5,071,345	3,928,465	3,359,165
Fines and Forfeitures	156,635	**	**	**	**	**	**	**
Special Assessments	893,573	**	**	**	**	**	**	**
Interest	421,389	307,318	535,698	914,546	1,459,814	1,856,733	896,915	550,250
Interest on Assessments	187,030	50,633	****	****	****	****	****	****
Trust Receipts	7,723	153,920	222,376	204,401	77,560	233,637	38,805	131,584
Contributions	6,450	6,168,301	5,520,142	*****	*****	*****	*****	*****
Industrial Payments	68,572	100,441	36,716	29,835	69,068	7,151	24,446	13,163
Sale of Assets	460,857	171,194	****	****	****	****	****	****
Miscellaneous	395,065	76,351	51,624	749,580	735,071	1,985,656	799,012	152,842
Transfers	623,055	377,096	441,915	65,571	122,447	(347,481)	389,574	68,884
Total Governmental Activities	\$ 10,479,871	\$ 22,077,469	\$ 22,536,107	\$ 19,695,583	\$ 22,169,081	\$ 27,048,422	\$ 23,885,969	\$ 23,189,260
Business-Type Activities								
Taxes	\$ 867	\$ 380	\$ 146	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	171,211	212,002	240,625	260,966	275,843	257,045	327,430	315,658
Special Assessments	12,252	**	**	**	**	**	**	**
Interest	132,832	107,273	168,727	361,315	559,754	407,972	225,424	145,702
Trust Receipts	39,559	113,339	91,044	176,422	100,445	67,968	522,714	467,982
Contributions	1,888,150	1,553,530	5,831,783	*****	*****	*****	*****	*****
Sale of Assets	39,291	(70,560)	****	****	****	****	****	****
Miscellaneous	165,437	388,255	261,243	285,777	312,358	350,236	117,598	77,397
Transfers	(623,055)	(377,096)	(441,915)	(65,571)	(122,447)	347,481	(389,574)	(68,884)
Total Business-Type Activities	\$ 1,826,544	\$ 1,927,123	\$ 6,151,653	\$ 1,018,909	\$ 1,125,953	\$ 1,430,702	\$ 803,592	\$ 937,855
Total Primary Government	\$ 12,306,415	\$ 24,004,592	\$ 28,687,760	\$ 20,714,492	\$ 23,295,034	\$ 28,479,124	\$ 24,689,561	\$ 24,127,115
<b>Change in Net Assets</b>								
Governmental Activities	\$ 7,553,235	\$ 11,793,727	\$ 9,805,579	\$ 16,493,302	\$ 31,601,298	\$ 12,562,192	\$ 4,911,038	\$ 5,327,146
Business-Type Activities	2,951,980	3,227,535	6,520,407	4,917,593	6,865,441	4,206,016	1,700,138	1,176,261
Total Primary Government	\$ 10,505,215	\$ 15,021,262	\$ 16,325,986	\$ 21,410,895	\$ 38,466,739	\$ 16,768,208	\$ 6,611,176	\$ 6,503,407

\* Dedicated property taxes are reported in General Revenue under Taxes in 2004.

\*\* From 2004 forward this revenue is reported as Charges for Services in Program Revenues.

\*\*\* From 2005 forward the interest expense is recorded in the activity in which it was expensed.

\*\*\*\* From 2005 forward the interest and interest on assessments is combined and the sale of assets is in miscellaneous.

\*\*\*\*\*From 2006 forward this revenue is reported as Charges for Services in Program Revenues.

NOTE: The reporting of these statistics began after GASB 34 implementation, therefore only eight years are reported.

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**PROGRAM REVENUE BY FUNCTION**

For the last eight fiscal years  
(Unaudited)

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
<b>Program Revenues</b>								
Governmental Activities								
Public Safety *	\$ 6,335,774	\$ 792,525	\$ 529,560	\$ 484,070	\$ 343,114	\$ 488,697	\$ 873,106	\$ 766,545
Transportation	1,442,317	2,063,175	3,182,643	6,353,654	23,224,198	3,541,968	2,532,870	3,503,448
Building	909,784	1,155,723	1,394,747	1,241,980	903,800	835,566	335,550	317,067
Parks	15,814	36,387	19,550	827,167	4,750	452,763	134,809	27,095
Development	1,564,195	655,463	1,311,569	290,772	1,061,950	20,758	312,071	357,221
General Government	6,556	10,745	552,682	1,876,329	5,281,710	1,161,947	506,123	898,500
Solid Waste	317,992	347,548	333,844	345,935	344,437	325,075	337,009	285,757
Subtotal Governmental activities	<u>10,592,432</u>	<u>5,061,566</u>	<u>7,324,595</u>	<u>11,419,907</u>	<u>31,163,959</u>	<u>6,826,774</u>	<u>5,031,538</u>	<u>6,155,633</u>
Business- Type Activities								
Water	3,615,418	4,000,671	4,114,400	5,854,617	7,029,744	5,204,874	4,736,238	4,186,369
Sewer	3,963,977	4,363,366	4,667,298	6,248,216	7,178,057	6,207,488	5,818,226	5,457,192
Subtotal Business-Type Activities	<u>7,579,395</u>	<u>8,364,037</u>	<u>8,781,698</u>	<u>12,102,833</u>	<u>14,207,801</u>	<u>11,412,362</u>	<u>10,554,464</u>	<u>9,643,561</u>
Total Primary Government	<u>\$ 18,171,827</u>	<u>\$ 13,425,603</u>	<u>\$ 16,106,293</u>	<u>\$ 23,522,740</u>	<u>\$ 45,371,760</u>	<u>\$ 18,239,136</u>	<u>\$ 15,586,002</u>	<u>\$ 15,799,194</u>

\* In FY'03 Public Safety program revenue included Dedicated Property Taxes.  
From FY'04 forward Property Taxes are recorded in the General Revenues section  
of the Statement of Activities.

NOTE: The reporting of these statistics began after GASB 34 implementation, therefore only eight years are reported.



**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**FUND BALANCES, GOVERNMENTAL FUNDS**

For the last eight fiscal years  
(Unaudited)

	Fiscal Year							
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General Fund								
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	<u>2,727,493</u>	<u>2,423,670</u>	<u>3,019,923</u>	<u>4,438,485</u>	<u>5,581,614</u>	<u>7,482,929</u>	<u>7,736,946</u>	<u>10,197,778</u>
Total General Fund	<u>\$ 2,727,493</u>	<u>\$ 2,423,670</u>	<u>\$ 3,019,923</u>	<u>\$ 4,438,485</u>	<u>\$ 5,581,614</u>	<u>\$ 7,482,929</u>	<u>\$ 7,736,946</u>	<u>\$ 10,197,778</u>
All Other Governmental Funds								
Reserved	\$ 945,262	(1,381,330)	(1,493,576)	(2,391,514)	(1,500,626)	\$ 3,706,534	\$ 1,584,732	\$ 551,807
Unreserved, reported in:								
Special Revenue Funds	5,240,358	5,637,517	5,767,543	5,645,630	5,728,115	5,692,914	5,668,343	6,026,470
Capital Projects Funds	5,160,440	7,573,454	8,942,175	7,810,238	20,735,290	12,204,633	12,788,348	10,803,433
Debt Service Funds	<u>(1,916,214)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,386,260)</u>	<u>(1,782,901)</u>	<u>(1,360,828)</u>
Total All Governmental Funds	<u>\$ 9,429,846</u>	<u>\$ 14,253,311</u>	<u>\$ 16,236,065</u>	<u>\$ 15,502,839</u>	<u>\$ 30,544,393</u>	<u>\$ 27,700,750</u>	<u>\$ 25,995,468</u>	<u>\$ 26,218,660</u>

NOTE: The reporting of these statistics began after GASB 34 implementation, therefore only eight years are reported.

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS <sup>(4)</sup>**

For the last ten fiscal years (Unaudited)										
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Revenues <sup>(1)</sup></b>										
Taxes	7,898,609	8,441,907	10,380,444	11,093,602	11,854,212	14,006,903	16,118,499	18,143,991	17,450,007	18,803,838
Licenses and Permits	606,322	585,282	734,950	898,559	1,076,622	1,020,253	711,524	492,375	286,445	274,049
Intergovernmental	2,458,884	2,386,793	4,256,934	3,844,673	4,128,652	5,387,371	4,045,054	5,225,029	4,312,300	5,733,089
Charges for Services	2,133,777	1,200,539	2,287,356	3,299,013	4,970,440	5,002,020	3,889,361	3,505,815	2,827,772	2,580,954
Fines and Forfeitures	160,455	183,753	156,635	164,852	163,055	200,322	233,887	253,766	237,776	300,528
Special Assessments	102,060	222,021	521,448	517,331	428,056	591,532	1,051,627	202,536	795,947	374,550
Interest			544,835	311,951	443,858	779,618	1,275,934	1,672,282	794,905	497,016
Other Revenues <sup>(2)</sup>	1,247,145	470,661	376,610	369,895	473,826	561,775	277,830	1,299,891	229,240	330,241
<b>Total Revenues</b>	<b>14,607,252</b>	<b>13,490,953</b>	<b>19,259,212</b>	<b>20,499,876</b>	<b>23,538,721</b>	<b>27,549,794</b>	<b>27,603,716</b>	<b>30,795,685</b>	<b>26,934,392</b>	<b>28,894,265</b>
<b>Expenditures <sup>(1)</sup></b>										
General Governmental	270,208	177,193	160,190	110,938	113,413	238,166	190,691	237,401	549,079	1,953,637
Public Safety	6,527,609	7,117,745	7,629,926	8,536,933	9,129,171	10,350,614	11,826,804	12,596,250	14,008,746	14,737,717
Field Operations	2,612,715	2,453,511	0	-	-	-	-	-	-	-
Community Development	1,488,285	1,599,375	3,037,279	2,428,001	1,934,013	3,439,641	1,786,695	3,393,756	2,486,875	1,372,620
Debt Service <sup>(3)</sup>	91,882	93,305								
Principal			403,861	481,496	462,466	669,499	714,972	1,328,521	1,466,960	1,110,305
Interest			165,631	152,928	173,982	149,304	225,289	467,588	462,106	674,031
Solid Waste		6,842,294	377,602	1,884,141	392,357	399,179	376,302	369,431	352,704	327,254
Capital Outlay	713,738	382,517	5,414,335	4,786,154	9,132,159	9,499,093	3,703,899	11,752,279	6,674,210	4,989,921
Transportation			949,597	996,651	1,084,732	1,240,225	1,405,089	1,529,698	1,526,810	1,545,768
Building			697,950	792,896	893,389	938,973	999,912	961,444	716,102	472,525
Parks			1,076,203	1,115,138	1,225,688	1,389,164	1,417,736	1,512,891	1,615,733	1,547,370
<b>Total Expenditures</b>	<b>11,704,437</b>	<b>18,665,940</b>	<b>19,912,574</b>	<b>21,285,276</b>	<b>24,541,370</b>	<b>28,313,858</b>	<b>22,647,389</b>	<b>34,149,259</b>	<b>29,859,325</b>	<b>28,731,148</b>

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS (CONTINUED) <sup>(4)</sup>**

For the last ten fiscal years (Unaudited)										
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Other Financing Sources (Uses)</b>										
Loan Proceeds				1500000			9,998,031	-	-	-
Sale of Assets			470471	966,789	2,624,201	4,842	1,195	878,942	910,239	5,075
Operating Transfer In			4325468	3,064,292	3,801,142	4,109,259	3,331,276	2,760,935	8,302,583	4,152,451
Operating Transfers Out			-3803419	(2,649,709)	(3,451,142)	(4,083,259)	(3,245,276)	(3,129,937)	(7,993,171)	(4,097,451)
Total Other Financing Sources (Uses)			992520	2,881,372	2,974,201	30,842	10,085,226	509,940	1,219,651	60,075
Net Change in Fund Balances			207120.08	1,878,723	2,210,137	4,987,169	15,041,553	(2,843,634)	(1,705,282)	223,192
Debt Service as a percentage of noncapital expenditures			4.00%	4.31%	4.55%	5.22%	5.22%	8.72%	9.08%	8.13%

(1) Includes General, Special Revenue and Debt Service Funds in years 1996-2002, from 2003 on, includes all governmental funds.

(2) 1995 - 2002 Includes net miscellaneous revenue, primarily interest.

(3) Principal and Interest component of Debt Service shown separately beginning with fiscal year 2003.

(4) This statistical page was reformatted for Fiscal Year 2004 and newly required information begins with Fiscal Year 2003.

Source: Annual financial statements of the City of Grants Pass

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**TAX REVENUE BY SOURCE, GOVERNMENTAL FUNDS<sup>(1)</sup>**

For the last ten fiscal years  
(Unaudited)

Fiscal Year Ended June 30,	Property	Business	Franchise	Transient Room Tax	Total
2001	5,375,396	245,783	1,590,649	686,781	7,898,609
2002	5,689,844	264,897	1,708,606	778,561	8,441,907
2003	7,438,564	257,322	1,761,362	923,195	10,380,443
2004	8,047,184	265,026	1,869,265	912,507	11,093,982
2005	8,705,901	289,165	1,931,515	927,631	11,854,212
2006	10,556,145	307,492	2,140,490	1,002,776	14,006,903
2007	12,450,442	305,103	2,351,245	1,046,936	16,153,726
2008	14,411,920	320,413	2,484,617	1,024,431	18,241,381
2009	14,102,746	313,194	2,422,366	970,446	17,808,752
2010	15,198,417	299,697	2,364,958	940,765	18,803,837

(1) Includes General, Special Revenue and Debt Service Funds in years 1994-2002, from 2003 on, includes all governmental funds.

Source: Annual financial statements and internal accounting reports of the City of Grants Pass

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**PROPERTY TAX LEVIES AND COLLECTIONS**

For the last ten fiscal years  
(Unaudited)

Fiscal			Current Tax Collections as a			Total Collections as a		Uncollected Taxes as a
Year	Taxes	Current	Percentage	Delinquent	Total	Percentage	Uncollected	Percentage
Ended	Levied by	Tax	of Current	Taxes	Tax	of Current	Delinquent	of Current
June 30,	Assessor	Collections	Levy	Collected	Collections	Levy	Taxes	Levy
2001	5,475,944	5,069,343	93%	319,633	5,388,976	98%	435,506	8%
2002	5,816,331	5,415,158	93%	297,333	5,712,491	98%	414,740	7%
2003	6,252,061	5,851,379	94%	288,342	6,139,722	98%	404,297	6%
2004	6,804,725	6,386,298	94%	275,413	6,661,711	98%	377,548	6%
2005	7,427,728	6,943,714	93%	274,297	7,218,011	97%	399,011	5%
2006	9,171,224	8,639,674	94%	259,400	8,899,074	97%	409,395	4%
2007	11,019,070	10,326,444	94%	239,558	10,566,002	96%	525,089	5%
2008	12,892,015	12,159,160	94%	270,092	12,429,252	96%	650,461	5%
2009	14,204,620	13,285,125	94%	321,578	13,606,703	96%	925,990	7%
2010	15,247,413	14,177,029	93%	467,737	14,644,766	96%	1,165,775	8%

Source: Annual financial statements and internal accounting reports of the City of Grants Pass

\*does not include the Parkway Redevelopment Fund

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**CONSOLIDATED TAX RATES**  
(Per \$1,000 of Assessed Value)

For the last ten fiscal years  
(Unaudited)

Fiscal Year Ended June 30,	Total	General Fund	Debt Service Fund	Water Fund	Parkway Redevelopment Fund
2001	4.98	4.98	-	-	-
2002	4.98	4.98	-	-	-
2003	4.98	4.98	-	-	-
2004	5.02	5.02	-	-	-
2005	5.02	5.02	-	-	-
2006	5.62	5.62	-	-	-
2007	5.62	5.62	-	-	-
2008	6.13	5.62	0.51	-	-
2009	6.12	5.62	0.50	-	-
2010	6.32	5.92	0.40	-	-

Source: Annual financial statements and internal accounting reports of the City of Grants Pass

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**CONSOLIDATED TAX LEVIES**

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For the last ten fiscal years  
(Unaudited)

Fiscal Year Ended June 30,	Total	General Fund	Bond Debt/Service Fund	Water Fund	Parkway Redevelopment Fund
2001	6,674,921	5,475,944	-	-	1,198,977
2002	7,003,863	5,816,331	-	-	1,187,532
2003	7,585,739	6,252,061	-	-	1,333,678
2004	8,188,825	6,804,725	-	-	1,384,100
2005	8,997,490	7,427,728	-	-	1,569,762
2006	10,852,219	9,171,224	-	-	1,680,995
2007	12,824,629	11,019,070	-	-	1,805,559
2008	14,851,145	11,767,092	1,124,923	-	1,959,130
2009	14,204,620	13,044,673	1,159,947	-	-
2010	15,247,413	14,285,977	961,436	-	-

Source: Josephine County

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**

For the last ten fiscal years (Unaudited)								
Fiscal Year Ended June 30,	Total Direct Tax Rate	Assessed Value					Real Market Value	Ratio AV/MV
		Real	Manufactured Structures	Personal	Utilities	Total		
2001	4.98	N/A	N/A	N/A	N/A	1,180,905,168	N/A	N/A
2002	4.98	N/A	N/A	N/A	N/A	1,253,169,191	N/A	N/A
2003	4.98	1,248,663,492	8,847,293	54,853,501	36,910,015	1,349,274,301	1,551,801,287	87%
2004	5.02	1,339,676,064	9,073,729	61,591,847	35,872,823	1,446,214,463	1,770,587,377	82%
2005	5.02	1,462,610,024	10,415,063	64,628,666	41,658,105	1,579,311,858	2,173,784,655	73%
2006	5.62	1,619,998,222	11,063,590	66,854,676	31,005,555	1,728,922,043	2,689,529,405	64%
2007	5.62	1,938,382,246	22,362,100	72,828,353	31,735,000	2,065,307,699	3,690,578,756	56%
2008	6.13	2,074,687,531	22,939,620	76,015,525	33,386,700	2,207,029,376	3,940,725,214	56%
2009	6.12	2,181,783,170	22,901,740	79,434,508	34,380,420	2,318,499,838	3,817,384,012	61%
2010	6.33	2,262,030,421	22,032,290	77,411,818	48,140,570	2,409,615,099	3,258,983,323	74%

Source: Josephine County

N/A - Not Available



**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**REAL PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS**  
(Per \$1,000 of Assessed Value)

For the last ten fiscal years  
(Unaudited)

Fiscal Year Ended June 30,	General Fund	Debt Service Fund	Parkway Redevelopment Fund	Water Fund	Total (4)	Josephine County	School District No.7	Rogue Community College	Education Service District	4H Extension	Total	Measure 5 Total (2)
2001	4.98	-	-	-	4.98	1.52	7.23 (3)	0.51	0.35	0.05	15.04 (2)	12.18
2002	4.98	-	-	-	4.98	0.96	7.14 (3)	0.51	0.35	0.05	14.39 (2)	11.53
2003	4.98	-	-	-	4.98	0.93	7.06 (3)	0.51	0.35	0.05	14.28 (2)	11.54
2004	5.02	-	-	-	5.02	0.88	6.83 (3)	0.51	0.35	0.05	13.64 (2)	11.44
2005	5.02	-	-	-	5.02	0.85	7.16 (3)	0.51	0.35	0.05	13.94 (2)	11.44
2006	5.62	-	-	-	5.62	0.83	6.67 (3)	0.51	0.35	0.05	14.03 (2)	11.64
2007	5.62	-	-	-	5.62	0.81	6.48 (3)	0.51	0.35	0.05	13.82 (2)	11.64
2008	5.62	0.51	-	-	6.13	0.80	6.41 (3)	0.51	0.35	0.05	14.25 (2)	11.64
2009	5.62	0.50	-	-	6.12	0.79	6.21 (3)	0.51	0.35	0.05	14.03 (2)	11.65
2010	5.93	0.40	-	-	6.33	0.77	6.43 (3)	0.51	0.35	0.05	14.44 (2)	11.96

(1) Excludes Urban Renewal Agencies

(2) Rate limited due to effect of Measure 5

(3) Ballot Measure 50 approved by voters on May, 1997, recalculated taxing districts' levies into permanent tax rates.

Districts may levy local option levies or bond repayment levies in addition to the permanent rates with voter approval.

(4) While Josephine County assesses personal property tax, the City's property tax base is entirely real property and does not include personal property.

Source: Josephine County

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**SPECIAL ASSESSMENT COLLECTIONS**

For the last ten fiscal years  
(Unaudited)

Fiscal Year Ended June 30,	Assessments Outstanding Beginning of Year	Additional Assessments Made During Year	Assessments Collected During Year	Adjustments During Year	Assessments Outstanding End of Year	Ratio Collections to Outstanding Assessments During Year
2001	287,915	199,203	82,807	(7,329)	396,982	24.2%
2002	396,982	677,646	155,975	(4,783)	913,870	23.8%
2003	913,870	863,628	532,230	2,760	1,248,028	49.2%
2004	1,248,028	101,418	517,741	(82,271)	749,434	51.8%
2005*	749,434	566,527	457,152	12,609	871,418	52.5%
2006	871,418	1,563,448	561,900	0	1,872,966	30.0%
2007*	1,872,966	11,692	963,791	0	920,867	104.7%
2008	920,867	1,260,672	162,020	(2,895)	2,016,624	8.0%
2009	2,016,624	43,362	818,310	(11,500)	1,230,176	66.5%
2010	1,230,176	0	374,550	0	855,626	43.8%

Source: Internal accounting reports of the City of Grants Pass

\* Correction made to ending balance in 2005 and 2007. Additions by ordinance not included in Additional Assessments total.

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**RATIO OF OUTSTANDING DEBT BY TYPE**

For the last ten fiscal years  
(Unaudited)

Fiscal year	Governmental Activities				Business-Type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	Urban Renewal Bonds	Bancroft Bonds	General Obligation Bonds	Solid Waste Agency Loan	Water Bonds	2009 Refunding Bonds	SRF Loans			
2001	\$ 3,070,000	\$ 175,000	\$ -	\$ -	\$ 3,845,000	\$ -	\$ 5,746,346	\$ 12,836,346	2.43%	306
2002	2,735,000	90,000	-	-	3,600,000	-	6,007,072	12,432,072	2.31%	271
2003	2,425,000	-	-	-	3,345,000	-	5,769,771	11,539,771	2.07%	482
2004	2,070,000	-	-	1,500,000	3,080,000	-	5,523,312	12,173,312	2.06%	491
2005	1,695,000	-	-	1,419,991	2,800,000	-	12,142,747	18,057,738	2.78%	710
2006	1,300,000	-	-	1,154,991	2,505,000	-	10,923,053	15,883,044	1.93%	519
2007	885,000	-	9,820,000	864,991	2,200,000	-	10,428,215	24,198,206	2.75%	774
2008	455,000	-	9,190,000	601,705	1,880,000	-	9,796,518	21,923,223	2.32%	679
2009	-	-	8,490,000	359,737	1,540,000	-	9,201,369	19,591,106	1.96%	590
2010	-	-	7,930,000	-	-	8,120,000	-	16,050,000	1.61%	483

N/A - information not available

Source: Internal accounting reports of the City of Grants Pass

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE AND  
NET BONDED DEBT PER CAPITA**

For the last ten fiscal years  
(Unaudited)

Fiscal Year Ended June 30,	Population	Assessed Value (In \$1,000)	Gross Bonded Debt (1)	Less Debt Payable from Enterprise Revenue (2)	Less Debt Payable from Nonenterprise Revenue (3)	Gross Bonded Debt Payable from General Revenue	Less Debt Service Monies Available	Net Bonded Debt	Ratio of Net Bonded Debt per Dollar Assessed Value	Net Bonded Debt per Capita
2001	23,170	1,180,905	6,915,000	3,845,000	3,070,000	-	-	-	0.00%	-
2002	23,670	1,253,169	6,335,000	3,600,000	2,735,000	-	-	-	0.00%	-
2003	23,870	1,349,274	5,770,000	3,345,000	2,425,000	-	-	-	0.00%	-
2004	24,470	1,446,214	5,150,000	3,080,000	2,070,000	-	-	-	0.00%	-
2005	25,423	1,579,312	4,495,000	2,800,000	1,695,000	-	-	-	0.00%	-
2006	30,930	1,728,922	3,805,000	2,505,000	1,300,000	-	-	-	0.00%	-
2007	31,740	2,065,308	3,085,000	2,200,000	885,000	9,820,000	-	9,820,000	0.47%	\$309
2008	32,290	2,207,029	2,335,000	1,880,000	455,000	9,190,000	-	9,190,000	0.42%	\$285
2009	33,225	2,318,500	1,540,000	1,540,000	-	8,490,000	-	8,490,000	0.37%	\$256
2010	33,225	2,409,615	8,120,000	8,120,000	-	7,930,000	-	7,930,000	0.33%	\$239

(1) Excludes General Obligation improvement bonds

(2) These amounts are being repaid by Enterprise revenue

(3) These amounts are being repaid by tax increment revenue

Source: Internal accounting reports of the City of Grants Pass

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**LEGAL DEBT MARGIN INFORMATION**

For the last ten fiscal years  
(Unaudited)

**Legal Debt Margin Calculation for Fiscal Year 2010**

Total Real Market Value as of June 30, 2010		\$	3,258,983,323
Less Non-Profit Housing			-2,416,800
		\$	3,256,566,523
Debt limit, 3% of total assessed value - ORS 287.004		\$	97,696,996
Amount of debt applicable to debt limit			
Total bonded debt, including special assessment bonds and public safety general obligation bonds	\$ 16,050,000		
Less			
Other deductions allowed by law			
Special assessment and revenue bonds	8,120,000		
Total deductions	8,120,000		
Total amount of debt applicable to debt limit			7,930,000
Legal debt margin		\$	89,766,996

\*Total Real Market Value as defined in ORS 308.207

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Debt limit	35,427,155	37,595,076	40,521,044	43,386,434	47,379,356	90,246,736	110,642,556	114,449,016	114,449,016	97,696,996
Total net debt applicable to limit	3,070,000	2,735,000	2,425,000	2,070,000	1,695,000	1,300,000	10,705,000	9,645,000	8,490,000	7,930,000
Legal debt margin	32,357,155	34,860,076	38,096,044	41,316,434	45,684,356	88,946,736	99,937,556	104,804,016	105,959,016	89,766,996
Total net debt applicable to the limit as a percentage of debt limit	9.58%	8.67%	7.27%	5.98%	4.77%	3.58%	1.44%	9.68%	7.42%	8.12%

Sources: Josephine County and annual financial statements of the City of Grants Pass

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**COMPUTATION OF DIRECT AND OVERLAPPING DEBT**

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As of June 30, 2010

<u>Jurisdiction</u>	<u>Gross Property-Tax Backed Debt</u>	<u>Percentage Applicable to City of Grants Pass</u>	<u>Amount Applicable to City of Grants Pass</u>
Overlapping:			
Counties:			
Josephine	17,758,288	38.12%	6,769,459
School Districts:			
Grants Pass School District No. 7	10,795,000	82.81%	8,939,340
Three Rivers School District	45,105,000	5.68%	2,561,964
Community Colleges:			
Rogue Community College	20,125,000	9.79%	1,970,238
		<i>Sub-total Overlapping Debt</i>	20,241,000
Direct:			
City of Grants Pass			7,930,000
Total			<u>\$ 28,171,000</u>

Source: State of Oregon - Office of the Treasurer Debt Management Information System

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**RATIO OF ANNUAL GENERAL OBLIGATION BONDED DEBT SERVICE  
EXPENDITURES TO GENERAL EXPENDITURES**

For the last ten fiscal years  
(Unaudited)

Year of Maturity	Principal	Interest	Total Debt Service	Total General Expenditures (1)	Debt Service as a Percentage of General Expenditures
2001	-	-	-	11,704,437	N/A
2002	-	-	-	18,665,940	N/A
2003	-	-	-	19,892,574	N/A
2004	-	-	-	21,285,276	N/A
2005	-	-	-	24,541,370	N/A
2006	-	-	-	28,313,858	N/A
2007	-	-	-	22,647,389	N/A
2008	630,000	390,445	1,020,445	34,149,259	2.99%
2009	700,000	387,000	1,087,000	29,918,325	3.63%
2010	560,000	359,000	919,000	28,731,148	3.20%

(1) Includes General, Special Revenue and Debt Service Funds in 2001-2002, from 2003 on it includes all governmental funds.

Source: Annual financial statements of the City of Grants Pass

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**SCHEDULE OF REVENUE BOND COVERAGE  
WATER BONDS**

For the last ten fiscal years  
(Unaudited)

Fiscal Year Ended June 30,		Gross Revenue (1)	Direct Operation Expenditures (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
					Principal	Interest	Total	
2001	(3)	3,549,285	1,617,606	1,931,679	235,000	176,165	411,165	4.70
2002	(3)	3,619,296	1,822,033	1,797,263	245,000	169,614	414,614	4.33
2003	(3)	3,730,443	1,809,437	1,921,006	255,000	157,200	412,200	4.66
2004	(3)	4,219,848	2,891,158	1,328,690	265,000	147,473	412,473	3.22
2005	(3)	4,385,147	3,376,904	1,008,243	280,000	134,895	414,895	2.43
2006	(3)	5,070,651	3,669,862	1,400,789	295,000	123,058	418,058	3.35
2007	(3)	5,412,155	3,777,173	1,634,982	305,000	111,430	416,430	3.93
2008	(3)	4,948,172	3,080,175	1,867,997	320,000	96,989	416,989	4.48
2009	(3)	4,760,706	4,160,585	600,121	340,000	82,836	422,836	1.42
2010	(4)	n/a	n/a	n/a	n/a	n/a	n/a	n/a

(1) Includes total operating revenue, interest income and taxes on a budgetary basis

(2) Includes total operating expenses, except for depreciation

(3) Includes revenues and expenses from Water Fund only

(4) In December 2009 the pledged revenue water bonds were refunded with a full faith and credit offering.

Source: Annual financial statements of the City of Grants Pass



**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**SCHEDULE OF BONDS AND BOND INTEREST TRANSACTIONS**

For the year ended June 30, 2010

	Interest Rates	Date of Issue		Bond Transactions					
				Outstanding June 30, 2009	Issued	Called	Matured	Paid	Outstanding June 30, 2010
General Obligation Bonds									
2009 Full Faith & Credit Refunding Supported Bonds	2.0-4.0%	12/22/2009	\$ 8,815,000	\$ -	\$ 8,815,000	\$ -	\$ 695,000	\$ 695,000	\$ 8,120,000
2007 Public Safety	4%	6/20/2007	9,820,000	8,490,000	-	-	560,000	560,000	7,930,000
Revenue Bonds									
1998 Water Revenue	3.9-4.5%	08/01/98	\$ 4,080,000	\$ 1,540,000	\$ -	\$ -	\$ 340,000	\$ 1,540,000	\$ -
Total Bonds				\$ 10,030,000	\$ 8,815,000	\$ -	\$ 1,595,000	\$ 2,795,000	\$ 16,050,000

Interest Coupons							
	Interest Rates	Date of Issue		Outstanding June 30, 2009	Matured	Paid	Outstanding June 30, 2010
General Obligation Bonds							
Supported Bonds							
1992 A Water Refunding	3.10-5.85%	4/01/92		\$ 4,616	\$ -	\$ -	\$ 4,616
2007 Public Safety	4%	6/20/07		-	359,000	359,000	-
2009 Public Works Debt Refunding	2.0-4.0%	12/22/2009		-	127,736	127,736	-
Revenue Bonds							
1998 Water Revenue	3.9-4.5%	08/01/98		-	38,401	38,401	-
Bancroft Improvement Bonds							
Series of 1982	9.75-15.00%	6/01/82		731	-	-	731
Series of 1990	7.00-15.00%	11/1/90		3,617	-	-	3,617
Total Bonds				<u>\$ 8,964</u>	<u>\$ 525,137</u>	<u>\$ 525,137</u>	<u>\$ 8,964</u>

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**SCHEDULE OF FUTURE DEBT SERVICE**

For the Year Ended June 30, 2010

Year of Maturity	Governmental Activities		Proprietary Activities						Interagency Loan to Parkway Agency	
	General Obligation Bond Public Safety Facilities		General Obligation Bond 2009 Refunding						Parkway Redevelopment	
	General Fund		Water Fund		Wastewater Fund		Redwood Sanitary Sewer			
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2010-2011	630,000	336,600	380,000	19,200	320,000	181,313	380,000	74,800	250,000	7,500
2011-2012	685,000	311,400	390,000	7,800	320,000	171,713	385,000	63,400		
2012-2013	740,000	284,000			330,000	162,813	395,000	55,700		
2013-2014	800,000	254,400			340,000	152,913	405,000	43,850		
2014-2015	865,000	222,400			355,000	139,313	420,000	27,650		
2015-2016	930,000	187,800			360,000	128,663	430,000	15,050		
2016-2017	1,010,000	141,300			375,000	116,063				
2017-2018	1,095,000	90,800			385,000	101,063				
2018-2019	1,175,000	47,000			400,000	85,663				
2019-2020					415,000	69,663				
2020-2021					430,000	53,400				
2021-2022					445,000	36,200				
2022-2023					460,000	18,400				
2023-2024										
2024-2025										
2025-2026										
2026-2027										
2027-2028										
2028-2030										
	7,930,000	\$1,875,700	\$770,000	\$27,000	\$4,935,000	\$1,417,180	\$2,415,000	\$280,450	\$250,000	\$7,500

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**PROPERTY VALUES, CONSTRUCTION VALUES AND BANK DEPOSITS**

For the last ten fiscal years  
(Unaudited)

Fiscal Year Ended June 30,	Commercial		Residential		Bank Deposits (in \$1,000) (2)	Property Value (3)		
	Construction (1)		Construction (1)					
	Number of Units	Value	Number of Units	Value		Commercial	Residential	Nontaxable
2001	52	50,110,899	247	31,564,269	753,956	(4)	(4)	(4)
2002	59	17,771,045	239	32,332,952	835,906	(4)	(4)	(4)
2003	45	18,098,182	274	49,745,662	901,476	(4)	(4)	(4)
2004	31	4,991,043	463	77,950,022	959,242	(4)	(4)	(4)
2005	32	33,579,289	470	79,408,188	1,038,152	(4)	(4)	(4)
2006	17	19,666,915	508	80,933,576	1,030,196	(4)	(4)	(4)
2007	32	18,799,032	278	40,407,617	1,179,020	(4)	(4)	(4)
2008	17	9,751,549	185	27,184,422	1,120,845	(4)	(4)	(4)
2009	11	2,181,625	77	13,038,727	1,196,459	(4)	(4)	(4)
2010	12	4,304,679	62	9,809,456	1,210,261	(4)	(4)	(4)

Source: (1) City Building Division  
(2) FDIC, Credit Union not included  
(3) City's value, per Josephine County  
(4) Information not currently available

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**DEMOGRAPHIC STATISTICS**

For the last ten fiscal years  
(Unaudited)

Fiscal Year Ended June 30,	Population (1)	Personal Income** (thousands of dollars)	Per Capita Income (2)	Median Age (2)	School Enrollment (3)	Unemployment Rate (2)
2001	23,670	528,503,760	22,328	N/A	5,396	7.1%
2002	23,870	537,647,880	22,524	N/A	5,347	8.2%
2003	24,470	557,793,650	22,795	N/A	5,535	8.7%
2004	24,790	590,944,020	23,838	39.7	5,596	7.3%
2005	26,085	650,220,795	24,927	39.4	5,707	7.2%
2006	30,930	824,841,240	26,668	38.2	5,779	6.9%
2007	31,740	881,419,800	27,770	43.5	5,655	6.7%
2008	32,260	944,798,620	29,287	44.6	5,647	7.3%
2009	33,225	999,009,300 *	30,068 *	44.6	5,486	14.7%
2010	33,225	999,009,300 **	30,068 **	44.6	** 5,801	14.3%

N/A = Information not available

Sources: (1) Portland State University Center of Population and Research  
(2) City of Grants Pass Economic Development Department & Bureau of Economic Analysis (BEA.gov)  
(3) Grants Pass School District No. 7

\*Data from BEA.gov only available through 2007. 2008 and 2009 estimates provided by the Economic Development Department based on Oregon index change from the American Community Survey (Census.gov)

\*\*Per Capita Income x Population

*Note: The City of Grants Pass does not have a large enough population to be considered an MSA (metropolitan service area). Annual gathering of statistics is not done by the U.S. Census Bureau, the Bureau of Economic Analysis, or the Oregon Employment Department. Therefore, Per Capita Income and Unemployment are reported at the Josephine County level. We believe this is a statistically valid estimate.*

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**INSURANCE AND SURETY BONDS IN FORCE**

June 30, 2010  
(Unaudited)

<u>Company</u>	<u>Policy Number</u>	<u>Amount</u>	<u>Coverage</u>	<u>Policy Term</u>	<u>Premium</u>
City - County Insurance Services	08LGSP	\$ 2,000,000	Comprehensive general liability	7/01/2009- 6/30/2010	\$ 229,841
City - County Insurance Services	09APDGSP	Various	Auto physical damage	7/01/2009 - 6/30/2010	22,450
City - County Insurance Services	09PGSP	5,000,000	Property insurance (includes earthquake and flood)	7/01/2009 - 6/30/2010	64,787
Western Surety	24781224	50,000	Public Official Bond Finance Director	6/22/2010 - 6/22/2011	175
Western Surety	24779104	50,000	Public Official Bond City Manager	6/17/2010 - 6/17/2011	175
Life Insurance Company of North America	SPS900303	30,000	Volunteer accident	7/01/2009 - 6/30/2010	585
City - County Insurance Services	09EQGP	5,000,000	Excess earthquake	7/01/2009 - 6/30/2010	2,500
Safety National Casualty	AGC-3B02-OR	1,000,000	Excess workers' compensation	7/01/2009 - 6/30/2010	38,116
American International Specialty Lines	PLS1957953	10,000,000	Pollution Legal Liability	12/31/2001 - 12/31/2011	200,000
American International Specialty Lines	EPP1957147	13,000,000	Solid waste-closure/post- closure	7/01/2001 - 7/01/2031	6,756,809
City - County Insurance Services	09LGSP	1,500,000	Auto Liability Coverage	7/01/2009 -7/01/2010	31,884
City - County	09CGSP	200,000	Excess Crime	7/01/2009 - 6/30/2010	978

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**JOSEPHINE COUNTY PRINCIPAL EMPLOYERS**

Current Year and Eight\*\* Years Ago  
(Unaudited)

Employer	Type of Business	2010			2003		
		Approximate Employment	Rank	Percentage of Total County Employment	Approximate Employment	Rank	Percentage of Total County Employment
Three Rivers Community Hospital	* Health Care	700	1	1.99%	750	1	2.13%
Grants Pass School District No. 7	* Education	700	2	1.99%	650	5	1.85%
Three Rivers School District	Education	638	3	1.81%	670	4	1.90%
Master Brand Cabinets	* Wood products manufacturing	625	4	1.78%	510	6	1.45%
Wal-Mart	* Department Store	500	5	1.42%	330	7	0.94%
Josephine County	* Government	459	6	1.30%	700	3	1.99%
Fire Mountain Gems	* Catalog Sales	400	7	1.14%	225	9	0.64%
Rogue Community College	Education	350	8	0.99%	715	2	2.03%
Diversified Collection Services	* Collections agency	225	9	0.64%	--		--
City of Grants Pass	* Government	207	10	0.59%	--		--
Rogue Valley Door	* Wood products manufacturing	--		--	255	8	0.72%
Highland House Nursing Center	* Health Care	--		--	210	10	0.60%
Royale Gardens	* Health Care	--		--	210	10	0.60%
Total employees		4,804		13.65%	5,225		14.85%
	Total Employment	35,186			22,120		

\* Indicates businesses within the Grants Pass city limits.

\*\*The reporting of these statistics began after GASB 34 implementation, therefore only eight years ago reported instead of nine.

*Note: The employment numbers are very fluid and therefore are approximate numbers based on the data available at time of request.*

Source: City of Grants Pass Economic Development Department

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**TEN LARGEST TAXPAYERS  
WITHIN CITY LIMITS**

Current Year and Eight\* Years Ago  
(Unaudited)

Name	Type of Business	2010			2003		
		City Assessed Value	Rank	Percentage of Total City Assessed Value	City Assessed Value	Rank	Percentage of Total City Assessed Value
Auerbach Grants Pass LLC & Freeman Grants Pass LLC	Commercial	\$ 17,075,600	1	0.69%	\$ -	-	-
Masterbrand Cabinets	Industrial	17,400,900	2	0.70%	5,760,190	10	0.43%
Charter	Utility	14,176,740	3	0.57%	-	-	-
Lynn-Ann Development LLC	Developer	13,600,666	4	0.55%	-	-	-
Grants Pass FMS LLC	Commercial	13,345,550	5	0.54%	-	-	-
Wal-Mart Stores Inc.	Commercial	13,097,545	6	0.53%	7,120,444	6	0.53%
QWEST Corporation	Utility	12,807,600	7	0.52%	21,789,540	1	1.61%
Albertson's Inc.	Commercial	11,146,383	8	0.45%	-	-	-
BRE/SW Spring Village LLC	Commercial	10,697,700	9	0.43%	-	-	-
Pacificcorp (PP&L)	Utility	10,854,000	10	0.44%	7,038,700	7	0.52%
TP Grants Pass LLC	Industrial	-	-	-	-	-	-
Johnson, Carl D	Commercial	-	-	-	7,186,030	5	0.53%
Grant Kent Partners LP	Commercial	-	-	-	11,281,710	2	0.84%
Zak Realty	Commercial	-	-	-	10,581,537	3	0.78%
Jensen, Robert A & Shirley Y	Commercial	-	-	-	7,415,458	4	0.55%
Hillebrand Children Riverwrod Apts	Rental	-	-	-	6,328,184	8	0.47%
Marquis Suites	Sr Housing	-	-	-	5,941,473	9	0.44%
Total of top-ten taxpayers		<u>134,202,684</u>		<u>5.42%</u>	<u>90,443,266</u>		<u>6.70%</u>
Other Taxpayers		<u>2,344,444,275</u>		<u>94.58%</u>	<u>1,260,258,195</u>		<u>93.30%</u>
Total City Assessed Value		<u>\$ 2,478,646,959</u>		<u>100.00%</u>	<u>\$ 1,350,701,461</u>		<u>100.00%</u>

\*The reporting of these statistics began after GASB 34 implementation, therefore only eight years ago reported instead of nine.

Source: Josephine County Assessor

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**OPERATING INDICATORS BY FUNCTION**

		For fiscal year ending June 30th (Unaudited)			
		2003	2004	2005	2006
<b>Public Safety</b>					
Traffic stops	(1)			5,519	6,318
Warnings issued	(1)			3,870	4,232
Citations issued	(1)	6,381	5,469	5,180	4,416
Calls for service - Police Reactive**	(1)	27,146	28,209	25,562	27,703
Calls for service - Police Proactive**	(1)			15,424	13,232
Calls for service - Fire	(1)	3,491	3,426	3,190	3,126
Businesses inspected	(1)	439	557*	249**	839
Business self-inspections	(1)	455	503*	454**	614
Citizen Public Safety Academy attendance	(1)	52	52	50	40
Student Public Safety Academy attendance	(1)				
<b>Transportation</b>					
Street overlays (square yards)	(4)	73,830	52,648	41289**	0***
Street overlays (tons of asphalt)	(4)	8,561	8,773	7506**	0***
Chip Seal	(4)	n/a	n/a	n/a	n/a
Signage additions	(4)	143	141	279**	177
Signage replacements	(4)	339	135	189**	352
Miles of restriping	(4)	12.17	13.14	7.34**	12.3
<b>Building</b>					
Total Permits issued	(2)	3,900	5,154	5,606	5,334
New single family permits	(2)	205	325	361	362
New multi-family permits	(2)	31	59	44	54
New commercial permits	(2)	16	17	31	17
Total Inspections	(2)	11,695	14,024	15,507	17,043
<b>Parks</b>					
Swimming pool attendance	(5)	10,664	9,601	16,464	11,555
Rental of facilities	(5)	154	200	199	207
Number of games scheduled	(5)	1,577	1387*	1,458	1,727
<b>Development</b>					
Total land use applications	(2)	250	289	325	347
Subdivision final plats	(2)	12	20	29	20
Commercial site plan review	(2)	55	53	51	56
<b>Water</b>					
New connections	(2)	291	482	561	581
Number of consumers	(3)	8,869	9,158	9,521	10,038
Total water produced (1000s of gallons)	(4)	1,755,727	1,779,523	1,766,136	1,800,673
Average daily production (gallons)	(4)	4,850,000	5,166,992	4,959,750	5,007,417
<b>Wastewater</b>					
Wastewater treated (1000s of gallons)	(4)	2,151,709	2,029,600	2,114,400	2,569,300
Sludge to co-compost (yards)	(4)	6,868	6,800	5,617	6,725
Greenwaste received (cubic yards)	(4)	31,752	37,495	43,961	37,081
Woodwaste received (cubic yards)	(4)	40,591	43,103	50,871	61,916
JO-GRO <sup>™</sup> sales (cubic yards)	(4)	7,035	7,471	5,248	5,754

**Sources:**

- |   |  |
|---|--|
| (1) City Public Safety Department         | (3) City Administrative Services Department      |
| (2) City Community Development Department | (4) City Public Works Department                 |
|   | (5) City Parks and Community Services Department |

**Notes:**

\* The 2004 Business Inspection numbers are from January 1 through September 30, 2004. The Little League played games at Rogue Community College in 2004 which lowered usage of All Sports Park.

\*\* 2005 forward Calls for Service restated in FY09 per Public Safety audit of calls.

The Business Inspection numbers are from January 1 through August 31, 2005. In the Transportation section, the numbers are calculated from January 1 through October 11, 2005.

\*\*\*In FY'06 it was decided to postpone overlays until the next year to have additional funding for a major project on Washington Blvd.in FY'07.

NOTE: The reporting of these statistics began after GASB 34 implementation, therefore only eight years are reported. Police calls for service 2005 forward only available by calendar year. (e.g. 2009 data = calendar 2008)



**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**OPERATING INDICATORS BY FUNCTION Continued**

		For fiscal year ending June 30th (Unaudited)			
		2007	2008	2009	2010
<b>Public Safety</b>					
Traffic stops	(1)	6,755	7,580	8,229	10,712
Warnings issued	(1)	4,340	5,278	7,699	7,813
Citations issued	(1)	4,119	4,082	1,915	2,425
Calls for service - Police Reactive**	(1)	29,950	29,316	27,429	39,647
Calls for service - Police Proactive**	(1)	15,104	15,424	14,658	17,341
Calls for service - Fire	(1)	3,591	3,698	3,659	3,742
Businesses inspected	(1)	1,295	1,342	1,470	1,451
Business self-inspections	(1)	607	67	48	57
Citizen Public Safety Academy attendance	(1)	29	28	26	25
Student Public Safety Academy attendance	(1)	30	27	25	27
<b>Transportation</b>					
Street overlays (square yards)	(4)	30,369	21,700	27,283	96,628
Street overlays (tons of asphalt)	(4)	7,228	2,411	n/a	13,588
Chip Seal	(4)	n/a	2,178	1,573	1,680
Signage additions	(4)	121	91	131	59
Signage replacements	(4)	265	185	505	364
Miles of restriping-longitudinal	(4)	20	25	27	25
<b>Building</b>					
Total Permits issued	(2)	3,804	2,857	1,225	1,130
New single family permits	(2)	234	166	75	58
New multi-family permits	(2)	20	6	1	1
New commercial permits	(2)	32	17	11	13
Total Inspections	(2)	12,366	10,609	6,409	3,988
<b>Parks</b>					
Swimming pool attendance	(5)	18,083	19,748	18,409	22,583
Rental of facilities	(5)	232	214	239	239
Number of games scheduled	(5)	1,575	1,563	1,916	1,752
<b>Development</b>					
Total land use applications	(2)	221	163	121	104
Subdivision final plats	(2)	22	7	6	5
Commercial site plan review	(2)	49	30	22	30
<b>Water</b>					
New connections	(2)	308	175	167	79
Number of consumers	(3)	10,413	10,545	10,533	10,614
Total water produced (1000s of gallons)	(4)	2,114,600	2,017,090	1,971,250	1,910,534
Total water billed (1000s of gallons)	(4)	n/a	n/a	1,780,787	1,559,451
Average daily production (gallons)	(4)	5,809,341	5,565,092	5,384,083	5,263,200
<b>Wastewater</b>					
Wastewater treated (1000s of gallons)	(4)	2,252,000	2,122,830	1,898,600	2,103,800
Sludge to co-compost (yards)	(4)	7,631	7,267	7,770	6,498
Greenwaste received (cubic yards)	(4)	37,764	38,807	37,869	36,032
Woodwaste received (cubic yards)	(4)	58,028	48,453	34,769	30,920
JO-GRO <sup>TM</sup> sales (cubic yards)	(4)	5,748	6,530	9,733	7,094

**Sources:**

- |   |  |
|---|--|
| (1) City Public Safety Department         | (3) City Administrative Services Department      |
| (2) City Community Development Department | (4) City Public Works Department                 |
|   | (5) City Parks and Community Services Department |

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**CAPITAL ASSETS STATISTICS BY FUNCTION**

For the last eight years.  
(Unaudited)

		2003	2004	2005	2006	2007	2008	2009	2010
<b>Public Safety</b>									
Police stations	(1)	1	1	1	1	1	1	3	4
Sub-stations	(1)	1	1	1	1	1	1	0	0
Marked Patrol Units	(5)	9	9	9	10	11	11	11	11
Un-marked Patrol Units	(1)					11	11	11	11
K-9 units	(5)	2	2	2	2	2	2	2	2
Motorcycles	(5)	2	2	2	2	3	3	3	3
Specialty Vehicles	(1)					7	7	7	7
T3	(1)					1	1	2	2
Equipment Trailers	(1)					5	5	5	5
Fire stations	(1)	2	2	2	2	2	2	3	3
Pumpers	(1)	3	3	3	3	3	3	6	6
Ladder Trucks	(1)	1	1	1	1	1	1	1	1
Wildland Engine	(1)	1	1	1	1	1	1	1	1
<b>Transportation</b>									
Streets (miles)	(2)	99	102	105	106	131	145	162	166
Streetlights	(4)	1,165	1,452	1,460	1,517	1,537	1,550	1,788	1,790
City Owned				118	125	125	133	183	183
PP&L Owned				1,342	1,392	1,412	1,417	1,605	1,607
Traffic signals	(4)	6	6	7	7	8	9	9	9
<b>Parks</b>									
Number of parks-developed	(5)	12	13	14	15	15	21	17	24
Number of parks-undeveloped								15	8
Acreage of parks-developed	(5)	116	128	134	134	134	445	151.92	194.76
Acreage of parks-undeveloped								355.36	312.52
Swimming pools	(5)	1	1	1	1	1	1	1	1
Playgrounds	(5)	6	7	7	8	9	11	11	11
Baseball/softball fields	(5)	10	10	12	12	12	12	12	12
Soccer fields	(5)	4	4	4	5	6	5	5	5
Tennis courts	(5)	12	12	14	14	14	14	15	14
<b>Water</b>									
Water mains (miles)	(4)	157	153	172	175	180	184	186	187
Fire hydrants	(4)	1,063	1,295	1,359	1,472	1,489	1,569	1,602	1,608
Storage capacity (millions of gallons)	(4)	19.2	19.2	19.2	19	19	19	19	19
Reservoirs	(4)	8	8	8	8	8	8	8	8
<b>Wastewater</b>									
Sanitary sewers (miles)	(4)	160	153	166	167	168	170	170	170
Storm drains (miles)	(4)	32	36	101	103	104	105	105	105
Lift stations	(4)	2	2	2	2	2	2	2	2
Pumping Station (includes RSSSD)	(4)	3	3	3	3	3	3	3	3
Treatment capacity (millions of gallons)	(4)	4	4	4	4	6.4*	6.4*	6.4*	6.4*

\*The City Wastewater Plant's hydraulic capacity permit is for 4.0 MGD. Parametrix, consultant for the Wastewater Treatment Plant, conducted a capacity analysis after Phase 1 of the plant upgrade at DEQ's request and it was determined the capacity was actually 6.4 MGD.

**Sources:**

- |   |  |
|---|--|
| (1) City Public Safety Department         | (3) City Administrative Services Department      |
| (2) City Community Development Department | (4) City Public Works Department                 |
|   | (5) City Parks and Community Services Department |

NOTE: The reporting of these statistics began after GASB 34 implementation, therefore only seven years are reported.

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**MISCELLANEOUS STATISTICS**

June 30, 2010  
(Unaudited)

Date of Incorporation -1887

Form of government - Council/Manager

		2003	2004	2005	2006	2007	2008	2009	2010
Area	(2)	Acres - 5,562	Acres - 5,856	Acres - 6,166	Acres - 7,026	Acres - 7,026	Acres - 7,026	Acres - 7,026	Acres - 7,026
Number of police and officers	(1)	42	40	41	43	44	44	41	46
Number of firefighters and officers	(1)	17	17	17	17	17	19	27	27
Employees (Permanent)									
Classified service	(3)	168	168	165	169	187.5	217	194	180
Exempt	(3)	9	9	9	9	9	10	10	27

Sources:

- (1) City Public Safety Department
- (2) City Community Development Department
- (3) City Administrative Services Department

NOTE: The reporting of these statistics began after GASB 34 implementation, therefore only seven years are reported.

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**STAFF ALLOCATION BY ACTIVITY\***

Department/Activity	2001	2002	2003	2004	2005	2006	2007	2008	2009*	2010
<b>Administration</b>										
Management	4.75	4.75	4.90	5.90	5.90	5.90	5.90	6.90	6.70	5.75
Information Technology	-	-	2.00	2.00	3.00	0.00	0.00	0.00	0.00	0.00
Finance	15.00	15.00	13.00	13.00	14.00	15.00	15.00	16.00	15.00	13.00
Legal	0.85	0.85	0.80	0.80	0.80	0.80	0.75	0.75	1.34	1.34
Risk Insurance	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.41	0.41
Human Resources	-	-	-	-	-	-	-	2.00	2.50	2.50
Economic Development	1.00	1.00	1.00	1.00	1.00	1.00	0.00	1.00	1.00	1.00
Tourism Development	1.00	1.00	2.00	2.00	2.00	2.00	0.00	0.00	0.00	0.00
Downtown	0.50	0.50	0.50	0.50	0.50	0.00	0.00	0.00	0.00	0.00
	23.40	23.40	24.50	25.50	27.50	25.00	21.95	26.95	26.95	24.00
<b>Community Development</b>										
Management	5.00	6.00	6.00	6.00	7.00	7.00	7.00	8.00	4.80	5.00
Engineering	8.00	8.00	8.00	8.00	8.00	9.20	9.00	10.00	8.50	6.50
Planning	9.00	9.00	11.00	14.00	7.00	9.00	8.00	11.00	5.00	4.00
Building & Safety	-	-	-	-	7.00	6.00	6.00	7.00	2.00	2.00
	22.00	23.00	25.00	28.00	29.00	31.20	30.00	36.00	20.30	17.50
<b>Parks and Community Services</b>										
Information Services	-	-	-	-	0.00	3.55	2.65	4.45	3.95	3.95
Park Maintenance	6.35	6.30	6.30	6.30	6.40	6.40	6.45	8.00	6.65	6.85
Property Management	1.25	1.20	1.20	1.20	1.00	1.05	0.90	1.25	1.30	1.30
Aquatics	0.25	0.25	0.25	0.25	0.30	0.35	0.30	0.30	0.30	0.10
Street Maintenance	6.50	7.45	7.45	6.45	7.50	6.60	0.00	0.00	0.00	0.00
Recreation	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.15	0.15	0.15
Garage Operations	0.30	0.40	0.40	0.40	0.35	0.55	0.40	3.30	3.05	3.05
Equipment Repair	0.30	0.35	0.35	0.35	0.40	0.45	0.55	0.60	0.70	0.70
Tourism Development	-	-	-	-	0.00	0.00	2.00	1.85	1.85	1.85
Downtown	-	-	-	-	0.00	0.00	1.00	1.45	1.45	1.45
	15.00	16.00	16.00	15.00	16.00	19.00	14.30	21.35	19.40	19.40
<b>Public Works</b>										
Water Treatment	4.45	5.00	5.40	5.40	5.40	5.17	4.39	5.94	6.46	6.46
Water Distribution	6.95	7.00	8.00	8.00	8.00	8.44	8.98	8.93	8.30	8.30
Wastewater Collection	3.95	4.00	4.00	4.00	4.00	4.44	5.98	5.94	5.16	5.16
Wastewater Treatment	9.12	7.75	8.25	8.25	8.75	8.84	8.73	8.88	7.41	9.91
JO-GRO™	3.33	3.25	3.35	3.35	3.85	3.91	3.91	4.05	4.11	2.61
Capital Projects	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Solid Waste	1.30	1.10	-	-	0.00	0.00	0.01	0.00	0.10	0.10
Storm Water	-	-	-	-	0.00	0.00	0.00	0.15	0.00	0.00
Street Maintenance	-	-	-	-	0.00	0.00	6.70	6.76	7.56	7.56
	30.10	29.10	30.00	30.00	31.00	31.80	39.70	41.65	40.10	41.10
<b>Public Safety</b>										
Field Operations	51.50	52.50	54.50	52.50	54.50	59.00	60.00	68.00	67.75	73.50
Support Operations	26.00	26.00	27.00	26.00	26.00	28.00	26.00	31.00	25.60	29.10
Code Enforcement	-	-	-	-	-	1.00	3.05	2.05	1.00	0.00
	77.50	78.50	81.50	78.50	80.50	88.00	89.05	101.05	94.35	102.60
<b>Total</b>	168.00	170.00	177.00	177.00	184.00	195.00	195.00	227.00	201.10	204.60

\* Actual full-time positions reported through 2008. As of 2009 reporting FTE for all permanent positions.

This information is provided by the City's Human Resources Department.

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**WATER UTILITY  
TEN LARGEST REVENUE SOURCES**

Current Year and Eight\* Years Ago  
(Unaudited)

Customer (classification)	2010				2003			
	Annual Consumption Units (100 hcf)	Annual Revenue**	Rank	Percent of Total Revenue	Annual Consumption Units (100 hcf)	Annual Revenue**	Rank	Percent of Total Revenue
City of Grants Pass (public)	155,604	\$ 145,188	1	3.50%	67,471	\$ 95,239	1	2.93%
Three Rivers Hospital (commercial)	28,366	38,288	2	0.92%	27,433	37,096	4	1.14%
Riverwood Apts. (multi-family)	20,105	23,692	3	0.57%	19,869	30,052	5	0.93%
School District 7 (public)	19,207	22,223	4	0.54%	54,955	69,797	2	2.15%
Timber Products (commercial)	16,400	20,540	5	0.49%	27,133	25,422	7	0.78%
Josephine County (public)	16,213	29,246	6	0.70%	34,178	59,434	3	1.83%
Omley (commercial)	23,160	11,865	7	0.29%				
Westlake Village (residential PUD)	13,616	11,804	8	0.28%				
Royal Gardens (retirement)	12,138	7,813	9	0.19%				
Cathedral Hills (residential PUD)	15,896	7,426	10	0.18%				
State of Oregon (public)					20,018	28,352	6	0.87%
Grants Pass Shopping Center (commercial)					15,540	24,948	8	0.77%
Grants Pass Hardwoods (commercial)					27,618	22,185	9	0.68%
Spring Pointe/Spring Village (commercial)					12,949	20,819	10	0.64%
Sub-total	320,705	318,085		7.66%	307,164	413,344		12.74%
All other sources		3,834,180		92.34%		2,831,815		87.26%
Total Water Revenues		\$ 4,152,265		100.00%		\$ 3,245,159		100.00%

hcf = hundred cubic feet

\*The reporting of these statistics began after GASB 34 implementation, therefore only eight years ago reported instead of nine.

\*\* While consumption may be similar, revenue can vary due to class and size of service.

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**UTILITY STATISTICS**

**WATER USAGE CUSTOMER ANALYSIS**

For the last ten fiscal years  
(Unaudited)

Number of Accounts

Fiscal Year Ended June 30,	Residential	Multi-Family	Commercial	Public	Fire Protection	Outside City Surcharge	Total
2000	5,814	721	967	145	77	40	7,764
2001	6,094	722	980	120	76	85	8,077
2002	6,333	743	995	170	95	176	8,512
2003	6,553	766	1,027	173	97	252	8,868
2004	6,780	808	1,046	168	100	255	9,157
2005	6,909	874	1,095	189	116	270	9,453
2006	7,400	940	1,138	172	123	233	10,006
2007	7,708	948	1,134	181	135	207	10,313
2008	7,869	945	1,159	152	132	97	10,354
2008*	7,966	977	1,175	188	135	166	10,607
2009	8,042	1,002	1,194	186	141	100	10,665
2010	7,957	1,007	1,176	118	140	94	10,492

Water Consumption (hcf)

Fiscal Year Ended June 30,	Residential	Multi-Family	Commercial	Public	Fire Protection	Outside City Surcharge	Total
2000	939,679	314,895	529,133	162,411	1,682	8,004	1,955,804
2001	972,185	314,311	517,178	164,882	705	14,141	1,983,402
2002	966,914	304,344	504,619	179,148	367	34,393	1,989,785
2003	1,026,069	308,281	516,551	200,821	278	46,200	2,098,200
2004	1,103,582	322,686	521,548	202,270	431	51,244	2,201,761
2005	1,268,695	354,590	576,633	225,770	1,858	51,326	2,478,872
2006	1,777,033	429,727	800,893	264,922	2,405	50,162	3,325,142
2007	1,761,357	440,405	783,055	278,658	1,639	35,471	3,300,585
2008	1,637,651	350,760	581,247	223,662	470	35,153	2,828,943
2009	1,315,314	366,406	574,795	235,366	443	23,051	2,515,375
2010	1,172,178	356,442	547,589	217,613	564	33,370	2,327,756

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**Water and Sewer Rates**

**Water and Sewer Rates from 1993 through November 1, 2005**

	Water <sup>(1)</sup>		Sewer	
	Monthly Base Rate first 500 cf <sup>(2)</sup>	Commodity Charge Per 100 cf above 500 cf	Monthly Service Charge	Volume Charge
Residential	\$12.30	0.87	\$4.31	\$1.50 X awwc <sup>(3)</sup>
Multifamily	\$12.30	0.55	\$4.31	\$1.50 X awwc <sup>(3)</sup>
Commercial	\$12.30	0.57	\$4.31	\$1.50 X awc <sup>(4)</sup>
Public	\$12.30	0.71	\$4.31	\$1.50 X awc <sup>(4)</sup>

(1) Additional monthly charges may apply depending on geographical elevation in which service is provided (service level charge) and whether the fire protection charge applies.

(2) Rate is based on the 3/4 inch meter which is the most common meter used

**Water Rates as of February, 2006**

Meter Size	Monthly Base Rate	Add'l Unit Chrg for multi-family & PUD
3/4 " or less	\$ 8.30	\$ 3.10
1"	18.50	3.10
1.5"	34.90	3.10
2"	56.00	3.10
3"	108.00	3.10
4"	179.00	3.10
6"	340.00	3.10
8"	541.00	3.10
10"	838.00	3.10

Single Family Residential		
0-10	11-25 unit	>26 units
\$0.77	\$0.98	\$1.16

Customer Class	
Multi-Family & PUD	\$ 0.76
Commercial/Public	0.91
Irrigation-All Classes	1.32
Standby-All Classes	1.32

Service Level Charge	
Service Level	Per Unit Chrg
1	0
2	\$0.09
3	\$0.19
4	\$0.28
5	\$0.37

**Sewer Rates as of October, 2005**

Class	Per Month
<b>Residential</b>	
Monthly Service Charge	\$ 10.60
Volume Charge x awwc	2.18
<b>Multi-Family</b>	
Monthly Service Charge	\$ 10.60
Volume Charge x awwc	2.18
<b>Commercial Normal Strength</b>	
Monthly Service Charge	\$ 10.60
Volume Charge x awc	2.18
<b>Commercial High Strength</b>	
Monthly Service Charge	\$ 10.60
Volume Charge x awc	2.18
<b>Public</b>	
Monthly Service Charge	\$ 10.60
Volume Charge x awc	2.18

(3) awwc: average winter water consumption  
(4) awc: actual water consumption

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**Water and Sewer Rates**

Annually the water and sewer rates will be increased by the 12-month average of Cost of Living Index which is 3.43% for 2007.

**Water Rates as of January 1, 2007**

Meter Size	Monthly Base Rate	Add'l Unit Chrg for multi-family & PUD
3/4 " or less	\$ 8.58	\$ 3.21
1"	19.13	3.21
1.5"	36.10	3.21
2"	57.92	3.21
3"	111.70	3.21
4"	185.14	3.21
6"	351.66	3.21
8"	559.56	3.21
10"	866.74	3.21

Single Family Residential		
0-10	11-25 unit	>26 units
\$0.77	\$0.98	\$1.20

Customer Class	
Multi-Family & PUD	\$ 0.79
Commercial/Public	0.94
Irrigation-All Classes	1.37
Standby-All Classes	1.37

Service Level Charge	
Service Level	Per Unit Chrg
1	0
2	\$0.09
3	\$0.20
4	\$0.29
5	\$0.38

**Sewer Rates as of January 1, 2007**

Class	Per Month
<b>Residential</b>	
Monthly Service Charge	\$ 10.96
Volume Charge x awwc	2.25
<b>Multi-Family</b>	
Monthly Service Charge	\$ 10.96
Volume Charge x awwc	2.25
<b>Commercial Normal Strength</b>	
Monthly Service Charge	\$ 10.96
Volume Charge x awc	2.25
<b>Commercial High Strength</b>	
Monthly Service Charge	\$ 10.96
Volume Charge x awc	3.15
<b>Public</b>	
Monthly Service Charge	\$ 10.96
Volume Charge x awc	2.25

(3) awwc: average winter water consumption

(4) awc: actual water consumption



**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**Water and Sewer Rates**

Annually the water and sewer rates will be increased by the 12-month average of Cost of Living Index which is 2.54% for 2008.

**Water Rates as of January 1, 2008**

Meter Size	Monthly Base Rate	Add'l Unit Chrg for multi-family & PUD
3/4 " or less	\$ 8.80	\$ 3.29
1"	19.62	3.29
1.5"	37.02	3.29
2"	59.39	3.29
3"	114.54	3.29
4"	189.84	3.29
6"	360.59	3.29
8"	573.77	3.29
10"	888.76	3.29

Single Family Residential		
0-10	11-25 unit	>26 units
\$0.82	\$1.04	\$1.23

Customer Class	
Multi-Family & PUD	\$ 0.81
Commercial/Public	0.96
Irrigation-All Classes	1.40
Standby-All Classes	1.40

Service Level Charge	
Service Level	Per Unit Chrg
1	0
2	\$0.09
3	\$0.21
4	\$0.30
5	\$0.39

**Sewer Rates as of January 1, 2008**

Class	Per Month
<b>Residential</b>	
Monthly Service Charge	\$ 11.24
Volume Charge x awwc	2.31
<b>Multi-Family</b>	
Monthly Service Charge	\$ 11.24
Volume Charge x awwc	2.31
<b>Commercial Normal Strength</b>	
Monthly Service Charge	\$ 11.24
Volume Charge x awc	2.31
<b>Commercial High Strength</b>	
Monthly Service Charge	\$ 11.24
Volume Charge x awc	3.23
<b>Public</b>	
Monthly Service Charge	\$ 11.24
Volume Charge x awc	2.31

(3) awwc: average winter water consumption

(4) awc: actual water consumption

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**Water and Sewer Rates**

Annually the water and sewer rates will be increased by the 12-month average of Cost of Living Index which is 4.45% for 2008.

**Water Rates as of January 1, 2009**

Customer Service Charge*		
Meter Size	Monthly Base Rate	Add'l Unit Chrg for multi-family & PUD
3/4 " or less	\$ 9.19	\$ 3.44
1"	20.49	3.44
1.5"	38.67	3.44
2"	62.03	3.44
3"	119.64	3.44
4"	198.29	3.44
6"	376.64	3.44
8"	599.30	3.44
10"	928.31	3.44

Single Family Residential**		
1st 10 Units	Units 11-25	All Units >25
\$0.86	\$1.09	\$1.28

Customer Class	
Multi-Family & PUD	\$ 0.85
Commercial/Public	1.00
Interruptible Irrigation for Public Parks & Schools	0.86
Irrigation-All Classes	1.46
Standby-All Classes	1.46

Service Level Charge	
Service Level	Per Unit Chrg
1	0
2	\$0.10
3	\$0.22
4	\$0.31
5	\$0.41

**Sewer Rates as of January 1, 2009**

Class	Per Month
<b>Residential</b>	
Monthly Service Charge	\$ 11.74
Volume Charge x awwc**	2.41
<b>Multi-Family</b>	
Monthly Service Charge	\$ 11.74
Volume Charge x awwc**	2.41
<b>Commercial Normal Strength</b>	
Monthly Service Charge	\$ 11.74
Volume Charge x awc***	2.41
<b>Commercial High Strength</b>	
Monthly Service Charge	\$ 11.74
Volume Charge x awc***	3.37
<b>Public</b>	
Monthly Service Charge	\$ 11.74
Volume Charge x awc***	2.41

\*Customer service charge does not include any water used. Water usage costs are based upon the following tables. Each Unit of water is equivalent to 748 gallons.

\*\*awwc: average winter water consumption

\*\*\*awc: actual water consumption

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**Water and Sewer Rates**

Effective March 1, 2009 the Cost of Living Index increase for 2009 was repealed by Council Action.

**Water Rates as of March 1, 2009**

Customer Service Charge*		
Meter Size	Monthly Base Rate	Add'l Unit Chrg for multi-family & PUD
3/4 " or less	\$ 8.80	\$ 3.29
1"	19.62	3.29
1.5"	37.02	3.29
2"	59.39	3.29
3"	114.54	3.29
4"	189.84	3.29
6"	360.59	3.29
8"	573.77	3.29
10"	888.76	3.29

Single Family Residential		
0-10	11-25 unit	>26 units
\$0.82	\$1.04	\$1.23

Customer Class	
Multi-Family & PUD	\$ 0.81
Commercial/Public	0.96
Interruptible Irrigation for Public Parks & Schools	0.86
Irrigation-All Classes	1.40
Standby-All Classes	1.40

Service Level Charge	
Service Level	Per Unit Chrg
1	0
2	\$0.09
3	\$0.21
4	\$0.30
5	\$0.39

**Sewer Rates as of March 1, 2009**

Class	Per Month
<b>Residential</b>	
Monthly Service Charge	\$ 11.24
Volume Charge x awwc**	2.31
<b>Multi-Family</b>	
Monthly Service Charge	\$ 11.24
Volume Charge x awwc**	2.31
<b>Commercial Normal Strength</b>	
Monthly Service Charge	\$ 11.24
Volume Charge x awc***	2.31
<b>Commercial High Strength</b>	
Monthly Service Charge	\$ 11.24
Volume Charge x awc***	3.23
<b>Public</b>	
Monthly Service Charge	\$ 11.24
Volume Charge x awc***	2.31

\*Customer service charge does not include any water used. Water usage costs are based upon the following tables. Each Unit of water is equivalent to 748 gallons.

\*\*awwc: average winter water consumption

\*\*\*awc: actual water consumption

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

Effective January 1, 2010 sewer rates were increased 6.29% (4.45% permanent and 1.84% thru December 31, 2011. Water rates remained unchanged.

**Water Rates as of January 1, 2010**

Customer Service Charge*		
Meter Size	Monthly Base Rate	Add'l Unit Chrg for multi-family & PUD
3/4 " or less	\$ 8.80	\$ 3.29
1 "	19.62	3.29
1.5"	37.02	3.29
2"	59.39	3.29
3"	114.54	3.29
4"	189.84	3.29
6"	360.59	3.29
8"	573.77	3.29
10"	888.76	3.29

Single Family Residential		
0-10	11-25 unit	>26 units
\$0.82	\$1.04	\$1.23

Customer Class	
Multi-Family & PUD	\$ 0.81
Commercial/Public	0.96
Interruptible Irrigation for Public Parks & Schools	0.86
Irrigation-All Classes	1.40
Standby-All Classes	1.40

Service Level Charge	
Service Level	Per Unit Chrg
1	0
2	\$0.09
3	\$0.21
4	\$0.30
5	\$0.39

**Sewer Rates as of January 1, 2010**

Class	Per Month
<b>Residential</b>	
Monthly Service Charge	\$ 11.96
Volume Charge x awwc**	2.45
<b>Multi-Family</b>	
Monthly Service Charge	\$ 11.96
Volume Charge x awwc**	2.45
<b>Commercial Normal Strength</b>	
Monthly Service Charge	\$ 11.96
Volume Charge x awc***	2.45
<b>Commercial High Strength</b>	
Monthly Service Charge	\$ 11.96
Volume Charge x awc***	3.43
<b>Public</b>	
Monthly Service Charge	\$ 11.96
Volume Charge x awc***	2.45

\*Customer service charge does not include any water used. Water usage costs are based upon the following tables. Each Unit of water is equivalent to 748 gallons.

\*\*awwc: average winter water consumption

\*\*\*awc: actual water consumption

**CITY OF GRANTS PASS**  
**JOSEPHINE COUNTY, OREGON**

**2009-2010 AUDITORS' COMMENTS AND DISCLOSURES**



**PAULY, ROGERS AND CO., P.C.**

**CERTIFIED PUBLIC ACCOUNTANTS**

- 
- 12700 SW 72ND AVENUE • TIGARD, OREGON 97223
  - (503) 620-2632 • FAX (503) 684-7523

### **Independent Auditor's Report Required by Oregon State Regulations**

We have audited the basic financial statements of the City of Grants Pass as of and for the year ended June 30, 2010, and have issued our report thereon dated November 13, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

### **Compliance**

As part of obtaining reasonable assurance about whether the City of Grants Pass' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

We performed procedures to the extent we considered necessary to address the required comments and disclosures which included, but were not limited to the following:

- **Deposit of public funds with financial institutions (ORS Chapter 295)**
- **Indebtedness limitations, restrictions and repayment.**
- **Budgets legally required (ORS Chapter 294).**
- **Insurance and fidelity bonds in force or required by law.**
- **Highway revenues used for public highways, roads, and streets.**
- **Authorized investment of surplus funds (ORS Chapter 294).**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**

In connection with our testing nothing came to our attention that caused us to believe the City of Grants Pass was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

### **OAR 162-10-0230 Internal Control**

In planning and performing our audit, we considered the internal controls over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the internal controls over financial reporting.

This report is intended solely for the information and use of the Council Members and Management and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.

A handwritten signature in cursive script that reads "Pauly, Rogers and Co., P.C.".

**PAULY, ROGERS AND CO., P.C.**